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The socio-economic impact of the economic crisis and the economic structural adjustment programmes: A comparative study of a rural and peri-urban community in northern Thailand

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**The socio-economic impact of the economic crisis and the
Economic Structural Adjustment Programmes: a
comparative study of a rural and peri-urban community in
Northern Thailand**

Submitted by Romyen Kosaikanont

For the degree of PhD

Of the University of Bath

2003

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Ph.D.

For my grandpa who would have loved to see it finished but did not see it started.

For my parents who stood by me from start to finish.

For my brothers who always believed that I would finish it.

For Matt without whom, I could not have finished it.

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List of abbreviations

ADB	Asian Development Bank
AFTA	Asian Free Trade Area
AUSAID	The Australian Government's Overseas Aid Program
BAAC	Bank of Agriculture and Agricultural Cooperatives
B.E.	Buddhist Era
BIBFs	Bangkok International Banking Facilities
BOI	Board of Investment
BOP	Balance of Payment
BOT	Bank of Thailand
CAT	Communication Authority of Thailand
CCL	Contingent Credit Lines
CFF	Compensatory Financing Facility
CPI	Consumer Price Index
DIT	Department of Internal Trade
EFF	Extended Fund Facility
EGAT	Electricity Generating Authority of Thailand
EPD	Export Promotion Department
EPZ	Export Processing Zone
ESAPs	Economic Structural Adjustment Programmes
ESP	Economic Stimulus Package
EXIM	Export-Import Bank
FADINAP	Fertilizer Advisory, Development and Information Network for Asia and the Pacific
Ft	Factor Cost
Fx	Foreign Exchange

GDP	Gross Domestic Product
GDRI	Gender Development Research Institute
GS	Global South
GNP	Gross National Product
H.M.	His Majesty
HDI	Human Development Index
HIPC	Highly Indebted Poor Country
HIV	Human Immunodeficiency Virus
HPI	Human Poverty Index
HSES	Household Socio-economic Survey
IMF	International Monetary Fund
ILO	International Labour Organization
LFS	Labour Force Survey
LOI	Letter of Intent
LPG	Liquid Petroleum Gasoline
MEPI	Measure to Encourage Private Investment
MOC	Ministry of Commerce
MOF	Ministry of Finance
MOLSW	Ministry of Labor and Social Welfare
MOPH	Ministry of Public Health
MSG	Monosodium Glutamate
NEC	National Economic Council
NEDB	National Economic Development Board
NEPO	National Energy Policy and Planning Office
NESDB	National Economic and Social Development Board
NFO	National Fertiliser Organization
NGO	Non Government Organisation
NSO	National Statistical Office
OCS	Office of the Civil Service
OECD	Organisation for Economic Cooperation and Development
OECF	Overseas Economic Cooperation Fund
ONEC	Office of National Educational Commission
PRGF	Poverty Reduction and Growth Facility
PWA	Provincial Water Authority
RPA	Resource Profile Approach
SBA	Stand-By Arrangement
SCB	Siam Commercial Bank
SDR	Special Drawing Right
SIF	Social Investment Fund
SIP	Social Investment Programmes
SMEs	Small and Medium Enterprises
SRF	Supplemental Reserve Facility
SSP	Social Sector Policies
TAT	Tourist Authority of Thailand
TDRI	Thailand Development Research Institution
TOT	Telephone Organisation of Thailand
UNDP	United Nations Development Programme
UNESCAP	United Nations Economic and Social Commission for Asia and Pacific
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations International Children's Emergency Fund

USAID	U.S. Agency for International Development
UK	United Kingdom
US\$	US Dollars
USA	United States of America
VAT	Value Added Tax
WB	World Bank
WTO	World Trade Organization

Cultural notes

Note on citation: In Thailand, people are addressed by their first names. Hence all Thai referenced authors and other individuals are identified by their first names. In the Bibliography, however, both first and last names are cited. Non-Thai authors are, however, cited according to their last name.

Note on Thai terms used: The Thai language is a tonal language. However, all Thai terms used in this thesis are written in a way to best reflect the phonetic pronunciation but without tonation marks.

Note on pronouns used addressing the case study: The Thai is a hierarchical language. It is common in Thai that people's names are addressed with the prefix of pronoun stating their relation to the speaker. This pronoun indicates the age, sex and relations of both parties involved in the conversation.

List of Thai terms used

Ai	Pronoun used to address a man older than you
Baht	Thai Currency Unit
Ban	House
Bhoo	Pronoun used to address father's father
Bot bat ying chai	Gender
Chomchon	Community
Keng	Good
Kon koan kang jon	Fairly poor people
Kon paw mee paw kin	Those having enough to eat
Kon ruoy	Rich people
Kon tuk	Tough people
Kon yai kon toa	Powerful people
Krua ruan	Household
Kwai ngan	Working buffalo

La larp la luang	Intrusive
Loog chang	Employee
Loong	Pronoun used to address a man older than your parents
Mae	Pronoun used to address mother or those about mother's age
Moon	A type of tree
Mue	Hand
Naa	Pronoun used to address mother's younger siblings
Nai	In
Ngan	Work
Nong	Pronoun used to address both man and women younger than you
Oui	Pronoun used to address old lady (Northern Thai dialect)
Paa	Pronoun used to address a lady older than your parents
Pan klan	medium
Paw	Pronoun used to address father or those about father's age
Pay thiew	Travel (vacation)
Phi	Pronoun used to address a lady older than you
Phi phu ya	Grandmother and grandfather ghost
Phum	Fresh water seaweed
Settakit Bordee	Economic crisis
Somtam bandit tok ngan	Papaya salad of the unemployed graduates
Taa	Pronoun used to address mother's father
Talad	Market
Than samay	Modernised
Tok kiew	Rice trading prior to harvesting
Wang	Whirlpool
Yaa	Pronoun used to address father's mother
Yai	Pronoun used to address mother's mother
Yoo	Being

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Abstract

This research is a comparative socio-economic study of the impacts and responses of the combined shock of the economic crisis in Thailand in 1997 and the ESAPs that followed. The effects of the crisis on an urban and peri-urban community in Northern Thailand are compared using a "before and after" approach, which assesses how the situation has changed during the economic shock. A dual framework approach is employed that incorporates a four channels impact analysis and the Sustainable Livelihood Framework. Particular attention is paid to the four channels of impact, namely; changes in employment, changes in income, changes in expenditure and changes in health and education conditions. The SLF helped identify how individual actors employ their available resource portfolios in response to their new vulnerability context.

The thesis also investigated the three factors of market proximity, wealth status and gender in determining different impacts and responses of individuals. The findings suggest that the micro level impacts are transmitted through two main mechanisms, which are markets and government service provisions. Proximity to the market and the government service provisions determine the degree of impact felt and explain why not all people experience impacts from certain policy changes. Comparatively, the urban community studied faced more impacts from the changes in economic conditions than the peri-urban community as they were more reliant on markets.

The ability to respond to the crisis and the survival strategies employed by individuals was found to vary and was dependent on the resource portfolio at their disposal and its diversification. Wealth, according to the local perspective, is associated with the resource portfolio of individuals, including both tangible and intangible resources. Therefore, in most cases, the wealthy were more resilient to the shocks. The most important resources identified as crucial for surviving the crisis are the natural resources. In comparison with urban dwellers, peri-urban dwellers possess a wealth of natural resources and tend to be better equipped to cushion the negative impacts of price changes.

With regard to gender, it was found that villagers residing in both urban and peri-urban communities are unable to openly discuss gender-differentiated impacts. Based on direct observation and semi-formal and informal interview, the findings suggest that the gender-differentiated impact, through the four stated channels, is apparent in both communities though it is not conclusive that women are more negatively affected. However, gender-differentiated impact is clearly found in the realm of household budget management while it is less clear in other respects. Women carry a greater burden of higher prices because of their specific role as household managers and associated responsibilities.

CHAPTER 1

Introduction

Since the 1980s many developing countries in Africa, Asia, Latin America and Eastern Europe have encountered economic difficulties caused by a mixture of internal and external factors. In response to these problems, the Economic Structural Adjustment Programmes (ESAPs) were created under the supervision of the World Bank (WB) and the International Monetary Fund (IMF) with the purpose of alleviating economic problems and getting countries out of crises. The programmes targeted national level policies in order to create economic growth with efficiency and stability. Economic difficulties, as well as the subsequent changes to economic policies under the ESAPs, have inevitably impacted on people residing in the host countries.

As many authors have argued (Elson, 1987, 1991, 1993, 1994, 1995, 1998; Baden, 1993, 1996; Bakker, 1994; Evers, 1993; Killick, 1995; Moser 1993, 1996, 1998; Ahmed and Lipton, 1997; Beneria, 1992, 1995, 1999 and Pearson, 1995), not everybody is affected by changes in economic condition in a similar way. Inevitably, some will lose and some will gain. This differentiation of impact may be varied according to different class, gender, age, or the location (urban, peri-urban or rural) of individuals. This thesis aims to explore these differentiated socio-economic impacts of the economic crisis and the ESAPs which started in Thailand in 1997. It will also focus on the responses of people on the ground to the economic changes. Within the scope of the study, the economic crisis and the ESAPs will be treated as a combined shock. Thus the problem of tracing exact causalities will be avoided. As Toye (1995, 1999) has argued, it is near impossible to trace whether an impact is caused by the crisis, the subsequent ESAPs or both.

As differentiating experiences caused by the impact involves many concerns, this thesis evaluates the extent to which individuals are affected by the shock and how these actors adopt certain strategies in response to it. Among many factors which can determine impacts encountered by and responses of individuals, this thesis explores three particular variables. The aim is to assess the role these three factors have in the changing lives of individuals as well as the effect they have on how individuals respond to the shocks. The three variables are market proximity, wealth/poverty status and gender. To be more

specific, the thesis explores how these three variables play a role in determining different or similar impacts and responses to the shocks.

Why market proximity?

In her investigation of the impacts of the ESAPs, Elson discussed how macro impact is channelled through to the ground and she identifies two main types of mechanism (Elson, 1995). These mechanisms also feature in the World Bank's (1997) reflections on methods for analysing macro and micro linkage of the structural adjustment programmes:

"Linking macro to micro effects. This implies a focus on the intermediating institutions, markets and authorities that link the macro level to the micro. Matching the evidence of impact at the macro level with that at the micro level will help facilitate the identification of those institutional mechanisms and processes, as well as other intervening structures that shape policies and their outcomes at each level, across sectors, and amongst groups" (World Bank, 1997, page 3)."

Thus the market mechanisms are identified as key to determining and distributing the impact of the shocks. Stewart (1992) has also argued that different people tend to experience diverse impacts from policy and shock because of their terms of engagement with the market. Market proximity is not a new concept but it is crucial for this thesis because it is used to qualify the level to which one's products/produces are traded for livelihood (later referred to as productive market i.e. the market for exchanging inputs for production, selling products, labour, credit) and the degree to which consumption goods are bought in the market (later referred to as reproductive market i.e. the market for exchanging food, goods and services used for home consumption). High proximity to the market thus implies that one's livelihood involves a high level of market trading of goods or labour. The conjecture of this thesis is that if market proximity is high, then it is likely that one will be affected by shocks, assuming that macro impact is actually mediated through the market. How exactly one will be affected (negatively or positively) also requires detailed investigation in the case studies. Clearly, for the current context, the impact pathways of the shocks need to be mapped out in detail in order to better understand the features and possible effects of the crisis. This will be presented in the discussion of the macro-micro linkage of the impact presented in Chapter 3.

Why wealth status?

With regards to wealth status, it has been argued that the wealthier tended to gain more and lose less from the shocks (Ahmed and Lipton, 1997; Killick, 1995; Buapan, 2000). The notions of wealth and poverty have had much interest recently and have been a focus of discussion amongst academics and development practitioners. Conventionally, poverty has been measured using quantifiable measures such as income levels, calorie intake, etc. These notions of poverty therefore associate the poor with a lack of physical resources and lead to development strategies that aim to provide additional physical resources for those who are most lacking.

However, the debate has changed its tone when the above argument did not withstand the criticisms of emerging literature on livelihoods. It was argued that there are more aspects of poverty than just low levels of income or calorie intake (Moser, 1993; Chambers, 1993; and Swift, 1989). It was further proposed that the conventional notion of poverty could be substituted with a vulnerability-based assessment. It was argued that the wellbeing of people is not just determined by access to physical resources such as land and labour. This livelihood theory emphasised the diversity of ways in which people make their living. On the practical level, a study of the rural transformation and gender relations in northern Thailand has suggested that wealth can be identified in relation to resources possessed by households, but must consider both tangible and intangible resources (Buapan, 2000). These resources, Buapan argued, contribute to how people can construct their livelihood within their individual context. Following Chambers, Buapan conceptualised wealth within the local context by using a participatory research method. In this thesis, I also follow Chambers' (1993) suggestion of taking into account local concepts of wealth and poverty and I also employ a participatory approach to classifying households according to wealth/poverty. The ultimate aim is to explore how people with different wealth backgrounds, and associated resource bases, may experience the shocks and respond to them. To do this, I adopt the general approach of the Sustainable Livelihood Framework, both to guide data collection and aid the analysis. This will be discussed further later in this chapter.

Why gender?

In recent years, there has been a great deal of literature on gender, the ESAPs and economic shocks in general. It can be roughly classified according to the stand-point of the authors as adopting either 'welfare', 'efficiency' or 'empowerment' approaches. The welfare approach involves the argument that women and children bear uneven costs of the ESAPs because of their specific gender roles and responsibilities as household welfare providers (Commonwealth Secretariat, 1989, Cornia and Stewart, 1991). This argument has made an important contribution to the development of the ESAPs in forcing the policy makers to recognise their impacts outside the market arena. In particular, it gave women a higher profile in the planning of the ESAPs and brought attention to how women can bear unequal costs from their impacts. Collier (1993) and Palmer (1993) have been pioneers in pushing forward the efficiency approach and contended that the ESAPs' goal of economic growth cannot be reached because of pre-existing gender biases in both the market and household arenas. Again, gender ideologies and gender specific roles and responsibilities are argued to prevent women from responding freely to the market. It was also argued that women are a vital resource for a country's development and should be used more efficiently. The equity and empowerment approach views gender and development as an equity issues and has pointed out that women bear a higher burden of the ESAPs and gain very little from them (Elson, 1993; Sparr, 1994; Beneria, 1997). This approach moves on from viewing women as an isolated unit and considers the fact that women are engaged in relationships with various agents (usually on different terms to their male counterparts). It was argued that the ESAPs have impacted on gender relations and that existing gender relations have a contributory effect on the success of the adjustment programmes. Under the ESAPs, and many circumstances, women are active and responsive to their changing environment though they are faced with the constraints of gender bias (Elson, 1995). This gender bias, which can be found at many levels, stems from an inequality in power relations (Elson, 1993; 1995). It has therefore been suggested that women should be empowered so that they can overcome this inequality and the biased effects of the ESAPs.

Most literature on gender and the ESAPs points to the conclusion that women tend to encounter different impacts from men and overall carry a higher burden under negative economic changes and gain little from positive ones (Baden, 1995; Palmer, 1993; Collier, 1992; Evers, 1993; Beneria, 1997). Through reviewing empirical research findings on

gender and the impact of the economic crisis and the ESAPs in various geographical areas, including Africa, Latin America, South Asia and the Caribbean, some clear pictures have emerged. Without exception, women as a social group were judged to be more adversely affected by the crisis than men. An excerpt from a study of women and the economic crisis in the Caribbean by Safa and Antrobus (1992) reads

"Poor women, especially those with families, have had to bear the major brunt of the economic crisis and structural adjustment policies. The economic crisis has made it even more difficult for families to survive on single wage, forcing additional women into the labour force to meet the rising cost of living and the decreased wage earning opportunities for men....At the same time, structural adjustment policies are forcing families to absorb a greater share of cost of survival as a result of cutbacks in social services, such as health and education and the elimination or reduction of subsidies on food, transportation, and utilities. By shifting more responsibility for survival from the state to the household, structural adjustment policies are increasing the burden on women, who have always assumed a primary role in household survival strategies, securing and allocating usually meagre cash and other sources to enable their families to make ends meet." (Safa and Antrobus, 1992 page 49-50)

This excerpt is taken from an abundance of literature that elaborates on the gendered impact of the economic crisis and the ESAPs. The findings are often used to present a clear-cut view of gendered differentiated impacts. However, the gender debates in Thai studies are still ambiguous. Therefore, in this thesis, I am interested in exploring how Thai women view the gendered impacts of the shocks. In other words, I aim to explore how Thai women in the selected communities really experienced the impacts and whether they think they are unevenly affected by the shocks.

Often, Thai gender relations are described to be egalitarian and women are claimed to have high status compared to women in other parts of the world (Warunee, 1999; Karim, 1995; Van Esterik, 2000; J. and L. Hanks, 1963; Van Esterik, 2000). This claim has been made based on the existing systems of bilateral kinship, matrilocality and inheritance (Karim, 1995 and Potter, 1977). However, it has also been claimed that gender bias in Thailand is deep rooted and that the exploitation of women is derived from Buddhist ideology and the feudalist "Sakdina" system (Keyes, 1984; Kirsch, 1975; 1982; 1985 and Khin Thitsa, 1983; 1990). In a changing context, gender relations and the status of women can become blurred and clear conclusions regarding the status of Thai women are difficult to make.

In this thesis, I initially attempted to investigate how the local perceive the gender differentiated impacts by directly asking individuals in the communities studied to identify

their gender specific impacts. However, it should be noted that researching a complex gender issue in Thailand is highly problematic and I encountered various problems including cultural and methodological problems. These problems of examining the gender impact from the local perspective raises the concern of how to research gender issues in Thailand and perhaps elsewhere. This point will be discussed further in Chapters 7 and 8. I also discuss how I partly overcame this obstacle in Chapter 5. However, because of the difficulties, only limited insight into gendered impacts can be offered.

The field sites

Two field sites are used in this investigation, both of which are located in the Chiangmai province of Northern Thailand. Map 1.1 'The Site of the Communities' shows the location of the two communities. While Chomchon Hatanwa (Map 1.2) is an urban slum community located within Chiangmai city, Ban Wangmoon (Map 1.3) is a peri-urban community located approximately 20 kilometres north of the city. Chiangmai is second only to the capital Bangkok in terms of size and number of residents. Chiangmai is consistently the largest contributor (18%) to the total Gross Regional Products (GRP) or 1.8% of the Gross Domestic Products (GDP) in the year 1996 (NESDB, 2003). In this sense, Chiangmai has a relatively large economy compared to the other 75 provinces of Thailand outside the capital; Bangkok. Chiangmai also has a wide range of economic activities with the six largest sectors, in terms of income generation, being manufacturing (19% of total GPP), service (17%), wholesale and retail trade (14%), agriculture (12%), transportation and communications (10%) and construction (10%). The volume and variety of the Chiangmai economy provides an opportunity to investigate the varied impacts of the crisis. The reasons for choosing two communities, one peri-urban and the other an urban slum, was to make a comparison of the impact in different geographical and socio-economic settings. This will be clarified further in Chapter 4.

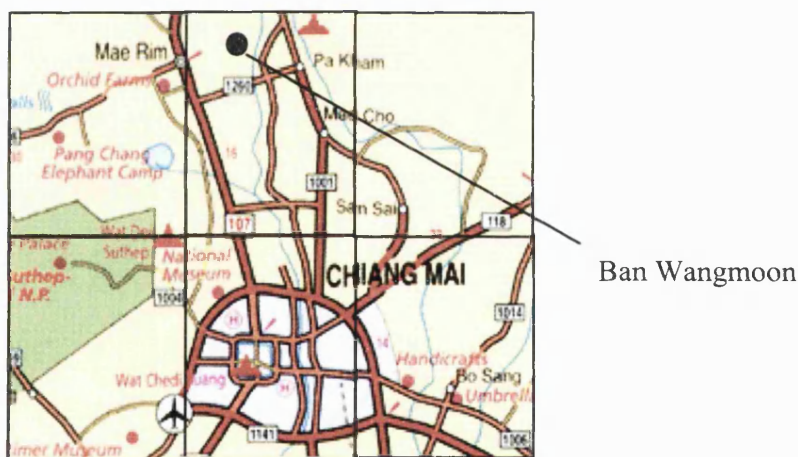
Map 1.1 The Site of Communities



Map 1.2 Chomchon Hatanwa



Map 1.3 Ban Wangmoon



The research questions

This section outlines the four research questions central to this exploration, followed by a brief explanation of the methodology used to tackle them.

1. In what ways have Thai people experienced the economic shocks and how are people residing in peri-urban and urban communities affected by the changes in economic conditions? Are there any patterns of similarity or differences both within and between these two selected communities?

2. Can different impacts be identified for different groups of people within the community segregated by level of market proximity, wealth/poverty status or gender?

3. How do the people residing in the peri-urban and urban communities respond to the crisis? Is there any similarity/difference in the patterns both between those communities and within the community?

4. Can different responses be identified for different groups of people within the community segregated by their level of market proximity, wealth/poverty status and their different resource portfolio and gender?

The thesis therefore aims to undertake a comparative study of the impacts and responses of individual actors residing in the two selected communities. Within the community, I explore how people with different gender, wealth status and degree of market proximity may experience different impacts and how they employ different strategies in response to the shocks. I also compare how the same social groups in the two communities experienced and responded to the shocks differently. The thesis does not offer a completely systematic and comprehensive study of differential impacts. However, within the scope of the research framework later described, it does offer useful insights into how impacts and responses are differentiated and identifies some important factors that are involved.

According to Toye (1995), there are many possible approaches to evaluating the impact of the economic shocks and ESAPs. However, the most popular methods are (i) the ‘counterfactual approach’ which compares the actual situation with a theoretical predicted or numerically simulated situation without the ESAPs, (ii) the ‘with and without approach’ which compares the situations of countries employing the ESAPs with those who do not while (iii) the ‘before and after approach’ compares the situation in a country before and after the crisis. This thesis employs the before and after approach in investigating the impact of the shocks as it allows the investigation of dynamic processes and opens up opportunities to explore some issues more extensively, including those social variables not so easily quantified. This approach can also be employed at different levels (macro and micro).

Research frameworks

In order to answer the research questions, there is a need to explore how Thai people in general and those residing in both villages experienced and responded to the shock. This study uses data including the national statistical data and available literature as well as data derived from a range of field research methods. Household level surveys, semi-structured interviews with key individuals and other Participatory Research Approach (PRA) methods were used to obtain background information on respondents as well as on the impacts they experienced. The data was collected and analysed within the dual frameworks adopted for this study, incorporating the four channels framework and Sustainable Livelihood Framework which are now discussed in turn.

The four channels framework

To trace the impacts in the chosen peri-urban and urban communities a framework is required to structure and set the scope of the investigations. The framework chosen for the impact investigation is the four channel framework of Diane Elson (1995). According to Elson, the impact of shocks can be traced through four main channels of (i) changes in income (ii) changes in employment (iii) changes in government budget composition (which will affect the conditions of health and education services and outcomes) and (iv) changes in prices of necessities which consequently affect an individual's expenditure.

This four channels framework was originally developed based on the feminist literature on gender and the ESAPs and the empirical studies on gender and the shocks previously discussed. Elson (1995) argued that people with different social backgrounds i.e. gender and classes experience the shocks differently. I choose to employ Elson's framework because it recognises and incorporates both economic and social impacts. Moreover, the framework is sensitive to the issue of differential impacts and can allow the exploration of wealth status as well as gender. Elson's approach to looking at differential impacts is largely based on preconceptualising the impacts that are open to differentiation. Later in the fieldwork process, it became increasingly apparent that the four channel framework does have limitations, and these will be discussed further in Chapter 8.

Although the framework has its drawback, it does allow a systematic analysis of the impact of shocks at different levels. Responding to the first research question, the four channels

framework is applied at two levels. Firstly, using data from secondary sources, the framework enables an overall assessment to be made of the situation before and after the crisis at the national level. The results of this four channel analysis are presented in Chapter 3. Secondly, data related to the changes in all four channels is collected through household surveys undertaken at the field sites (discussed in more detail in Chapter 4). These are tabulated for community level analysis of the economic shocks. The results of these analyses are compared in Chapters 5 and 6 in order to identify similarities and differences in the impacts within and between the chosen communities. The comparison of both communities also sheds light on how market proximity can play a role in distributing the effects of the economic shocks, as in aggregate the two communities have different levels of market engagement.

The Sustainable Livelihood Framework (SLF)

In recent years, there has been an increasing amount of theoretical debate on structure and agency. The once popular structure theory of Giddens (1984), which contended that people's behaviour is governed and determined mainly by the structure of rules and norms, is no longer accepted. Within development studies, the livelihood approach has enhanced the understanding of people as agents whose behaviour is not just determined by surrounding rules and norms. Individuals have agency and they are responsive to change, though they can also be influenced by contextual factors such as trends, shocks and external regulations (Long, 1992; Villareal, 1992; McGregor and Kebede, 2002; Carney, 1998).

Besides this debate, there has also been much theoretical discussion on the importance of resources/capital/assets that can be used by individual agents and especially the poor. These resources were expanded from the conventional physical resources, dealt with mostly by economists, to include other types of intangible resources such as social capital (Fukuyama, 1995; Putnum, 1993; Coleman, 1988) and social and cultural resources (McGregor and Kebede, 2002; Lewis and McGregor, 1993). This discussion arose from theoretical debates on development relating to the definition and measurement of poverty that is a prerequisite for poverty reduction.

This consensus was developed based on the "actor-oriented" approach put forward by Norman Long (1992) which conceptualised people as autonomous individuals with agency.

In the context of shocks that involve the collapse of the economy and the imposing of strict regulations, people will respond actively to their new environment. That is to say that people are agents and take actions in struggling to maintain, construct and reconstruct their livelihoods to suit their circumstances by deploying their available resources. It is important to stress that although the individuals are viewed as independent agents, the actor-oriented approach acknowledges the significance of the societal structures in which individuals are situated.

One of the by-products of the actor-orientated approach is many resource-related theories/conceptual frameworks which pay attention to the role of individuals as resource managers as well as the resources themselves. These frameworks view the poor as managers of a set of resources which they mobilise to create their livelihood strategies (Conway and Chambers, 1993, Swift, 1989, Scoones, 1998). Some of the examples of this type of theory include (i) the Resource Profile Approach (RPA) developed at the Centre of Development Studies (CDS) at the University of Bath (Lewis and McGregor, 1993, McGregor and Kebede, 2002), (ii) the Asset Vulnerability Framework (AVF) put forward by Caroline Moser (Moser, 1992, 1996, 1998), and (iii) the Sustainable Livelihood Framework (SLF) developed by the Department of Foreign International Development (DFID) (Carney, 1998). Although there are some differences in emphasis and disciplinary approaches (for example, the RPA is unique in its focus on cultural resources and is respected by socio-anthropologists whilst the SLF tends to be favoured by institutional economists), these frameworks share some common characteristics.

Firstly, these frameworks share a prime assumption of the actor-oriented approach, that is, people are able to adapt and respond to the crisis through means of resource usage and mobilisation. Moser (1993), for example, stated that the AVF focuses on what the poor have rather than what they do not have. In doing this, it can aid the appreciation of the poor's strength and how they can manage their resources during times of crisis. An improved understanding of this has contributed to a new development approach of alleviating poverty through development based on local strengths and contexts.

Secondly, these frameworks include both tangible and intangible assets/resources/capital¹ in their analysis. They give much attention to the role of intangible resources such as social resources that can be utilised within the survival strategies of the poor. Thus, they assume that the intangible resources can be transformed into tangible resources in times of crisis. However, the issue of substitutability of these resources is far from systematically discussed. When analysing the roles of resources, all of these frameworks further categorise resources into groups which can be compared in Table 1.1.

It can be seen from Table 1.1 that all the frameworks have five categories of resources. Though some categories such as human resources appear in all frameworks some categories, such as cultural resources, are included in only one. This could be explained by the fact that the categorisation of these resources is just an aid to understanding how individuals utilise and mobilise resources, both in times of crisis and normality, to increase their stock and flow. The differences in the way resources are categorised are based on the context and the weight or the importance the authors give to each resource category. For example, the AVF singles out the labour and human assets because the AVF was developed for the urban poor context where labour is highly important in survival strategies. The SLF, on the other hand, was developed for a rural context, hence putting much emphasis on natural resources which feature largely in rural livelihoods.

McGregor and Kebede (2002) categorise cultural resources separately from other types of resources. However, they also point out that culture can be seen as both a resource and context. I much agree with McGregor and Kebede's argument and am aware that cultural resources are highly important. Although I initially adopted the RPA in this study, I did not use cultural resources in the end due to the technical difficulties encountered in identifying resources that can be categorised as purely cultural.

¹ The frameworks use different terms or wording when they refer to the same thing, that is, what they believe people utilise or mobilise for their survival. For instance, SLF uses "capital", AVF uses the mixture of "assets" and "capital" without detailed discussion of their reasoning whereas RPA justifies the usage of "resources" instead of "capital" on the basis that capital carries the sense of existence whereas resources can be identified when they are used (see an extensive discussion in McGregor and Kebede, 2002). I chose to use resources over "capital" for the same reason spelled out in the RPA. I did not choose the term "asset" because it may carry the sense of things capable of being translated into financial terms.

Table 1.1: The comparison of the categorisation of resources

Framework	Resources
Asset Vulnerability Framework	<p>Labour</p> <p>Human capital: the qualities embedded in a person including health status, skills and education</p> <p>Productive assets: housing is heavily cited in urban poor setting</p> <p>Household relations: a mechanism for sharing incomes and consumption</p> <p>Social capital: a reciprocity between actors in different social settings such as community, households etc.</p>
Sustainable Livelihood Framework	<p>Natural capital: natural resource stocks which individuals can access and make use of</p> <p>Physical capital: infrastructure such as transportation, shelter, water, communications and other productive equipment</p> <p>Human capital: similar to defined by AVF that is the quality embedded in an individual</p> <p>Financial capital: savings, supply of credit, remittances and other forms of financial flows and stocks</p> <p>Social capital: similar to AVF's social capital</p>
Resource Profile Approach	<p>Natural resources: a compilation of natural resources that contribute to the livelihood of individuals. The access and control over these resources are determined by law either in formal or informal forms</p> <p>Material resources: three kinds of things included in this category are assets, stock and other forms of productive resources. It can be identified with flows of income and stores of value</p> <p>Social resources: a set of relationships between individuals. This set of relationships can be transformed into different forms of services and resources. This is determined by the quality of relationship.</p> <p>Cultural resources: mainly cultural status of household/individuals. The perception of others of an individual has significant influence on the negotiation outcome.</p> <p>Human resources: quality which is embedded in individual.</p>

The inherent intangibility of cultural resources makes it difficult to quantify or measure. As McGregor and Kebede (2002) pointed out, this type of resource can only be identified when it is used. On the data collection level, cultural as well as social resources present the same problem in that the researcher must try to identify previous or potential claims of such resources. Moreover, the determination of the success in deploying cultural resources involves other people to those who possess the resources. That is to say that the cultural resources can only be successfully mobilised when all parties share the same social values.

In this thesis, I employ the SLF as it includes the treatment of the tangible and intangible resources covered by the RPA, except the cultural one. It also requires extensive investigation of the structure and context of the resource portfolio. That is, there is particular emphasis on defining the vulnerability context in which individuals are located, including the trends and shocks. The SLF assumes that this vulnerability context, the external environment in which people exist, does have a significant impact on the assets/resource portfolio and the choice of livelihood strategy. At the same time it stresses the importance of the policies, institutions and processes, both government and private, which determine laws, cultures and policies that affect the management of resource portfolios by individuals and hence their livelihood strategies. Ultimately, the interaction of the vulnerability context, policies, institutions and the livelihood assets will affect decisions made to mobilise assets/resources, which in turn affects the livelihood outcome.

The SLF is used in this thesis for two main purposes. Firstly, to explore the roles of all resources in the SLF (natural, physical, human, financial and social) within the context of the shocks and the two communities studied. There are various characteristics that need to be taken into account, perhaps most importantly, the quantity and quality of resources and the diversification within the resource portfolio. All these aspects are dynamic and can change over time under the vulnerability context of trends, shocks and regulations/policy. Though the quantity of resource stock is important in determining the ability of actors to respond, the quality of resources is no less important. High quality resources can be easily transformed by the actor to achieve the desired livelihood outcome at the required time. The diversity of resources is also important and it could be assumed that a diversification of resources implies a distribution of risk from the negative shocks of the crisis. However, this needs to be analysed and related to the quality and quantity of resources aforementioned. Secondly, I use the SLF to explore how people with different backgrounds

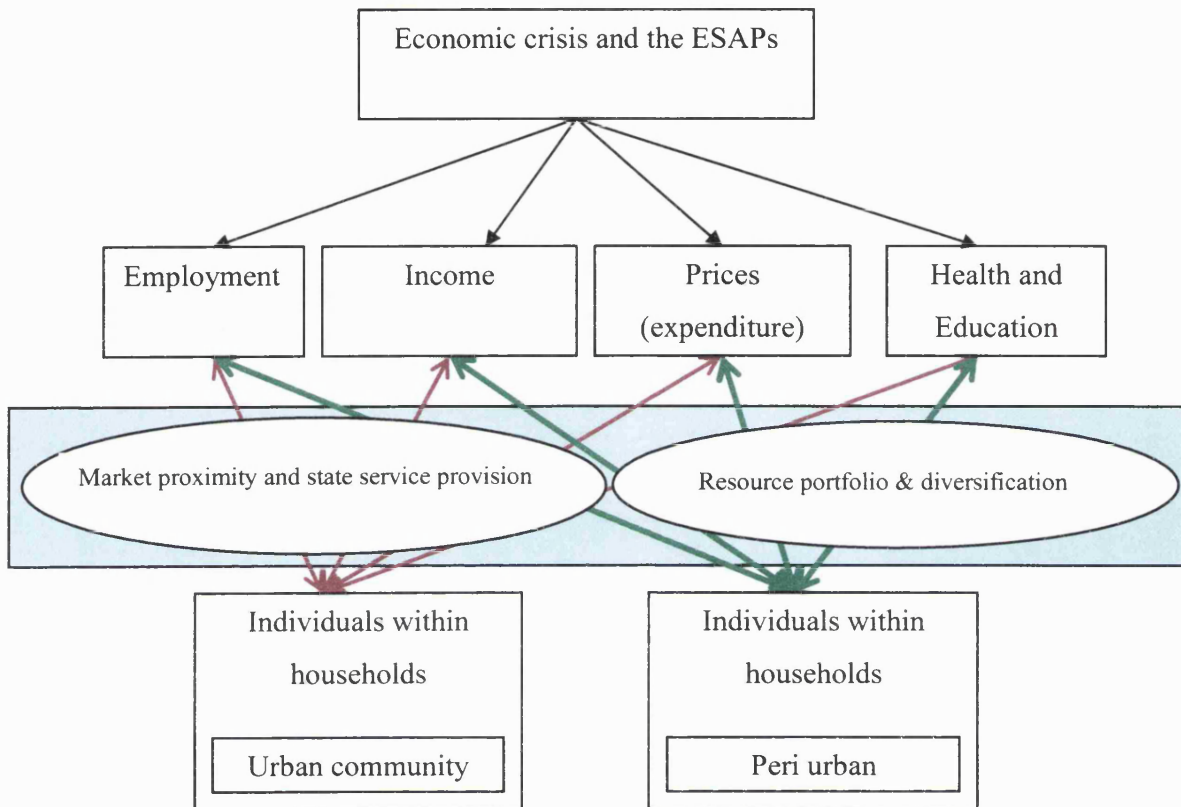
such as people with different market proximity, gender and wealth utilise resources during the shocks. As briefly mentioned, to establish wealth/poverty status, I employed a participatory method for wealth ranking which provides a locally defined ranking. The results of this self-ranking are also shown to relate to the ranking of resources possessed by individuals.

The methodological issues and reflections regarding usage of the participatory research method in the Thai context will feature in Chapter 4. The differentiation in the usage of these resources in response to the shocks are presented in the case studies of Chapters 5 and 6. Finally, I will reflect on using the SLF and its applicability to answering my research questions in the concluding chapter and I highlight some problems in the use of this framework.

In short, there are two analytical frameworks being adapted and employed for the research in this thesis, namely the four channels framework and SLF. While the four channels framework is used as a guide in studying the impact of the shocks, focusing on the four aspects of change at national, community and household/individual levels, the SLF is applied to investigate the response of individuals to the changes in economic conditions. Fig. 1.1 illustrates how the components of these two frameworks are utilised in the research process.

Figure 1.1 shows that shocks can be traced through four channels to individuals residing in urban and peri-urban communities, as indicated by solid arrows. This distribution of impact is unlikely to be evenly distributed and is determined and mediated via the market mechanism and state service system. The market proximity and reliance on the state provision system determine the extent to which individuals will be affected by the changes in economic policy. If this assumption is true, it is likely that the patterns of impact should be different in urban and peri-urban communities as a distinctive feature of these two communities is their different overall degrees of market proximity.

Figure 1.1: Analytical Framework



While the shock may work as a constraint for some, it can work as opportunity for others. Whether one will be able to exploit the new vulnerability context can be influenced by proximity to the market as well as the quantity, quality and the diversification of the resource portfolio. Accordingly, the downward arrows to Fig. 1.1 show how impact may be transmitted to the individuals within the communities. At the same time, some may respond to the changes in economic conditions, exploiting the existing context (signified by the upward arrows).

Structure of the thesis

The second chapter of this thesis will discuss the vulnerability context of Thailand including an explanation of the historical background, geographical settings, resource base and social norms which affect the livelihoods of Thais. A large part of Chapter 2 focuses

on changes in developmental trends since the modernisation of development after the late 1950s. Chapter 3 discusses the economic shocks that occurred in Thailand in 1997 as well as the subsequent ESAPs. It maps out how the macro shocks are translated into micro impact. The chapter then applies the four channels framework to existing national level secondary data to analyse and sketch out the impact on the Thais. An indication of the differing impact on various groups is offered on the basis of the available information.

Chapter 4 is devoted to the field research methodology. It describes the process of research, the methods used and their rationale, as well as describing some of the difficulties of undertaking this type of research in Thailand.

Chapter 5 focuses on the peri-urban community Ban Wangmoon, Chapter 6 on the urban slum community: Chomchon Hatanwa. Both chapters are divided into two main parts. The first part of each chapter describes the vulnerability context for each community. The second part describes the four aspects of impacts encountered by people within each community. The different impact people may have experienced according to their different market proximity, wealth statuses, and gender is investigated. The last section employs the SLF in examining selected case studies on their response to the crisis, paying particular attention to how resources are mobilised during the crisis.

Chapter 7 undertakes a comparative analysis of the impacts of the crisis on people residing in Ban Wangmoon and Chomchon Hatanwa. The chapter begins by questioning how people in peri-urban and urban communities perceive the impact. The chapter moves on to establish a series of common and dissimilar effects experienced by the residents of Ban Wangmoon and Chomchon Hatanwa. Based on these observations, the influences of market proximity and resource portfolio diversification on the types of impact felt by individuals are explained. The chapter then discusses the role of wealth/poverty status in distributing impacts. Finally, I look specifically at the gender-differentiated impact of the crisis and attempt to resolve why villagers are not inclined to perceive or acknowledge the gendered impacts observed.

The concluding chapter summarises the empirical findings of the research. The determining factors in the impacts of the macro-economic crisis and government policies on the peri-urban and urban communities are reviewed. In particular, it elaborates on market proximity and resource portfolio diversification and to what extent these factors

determine the different impacts experienced by individuals. It also summarises the gender and wealth/poverty status implications for the impacts. The chapter then reflects on the usefulness of the frameworks utilised in finding answers to the empirical research questions. The applicability of both the four channels framework and the SLF are discussed. The chapter concludes with points of further discussion and research recommendations.

CHAPTER 2

Thai background and development trends

*“The vulnerability context frames the external environment in which people exist. People’s livelihoods and the wider availability of assets are fundamentally affected by critical **trends** as well as by **shocks** and seasonality – over which they have limited or no control (DFID, 1998).”*

Introduction

The vulnerability context is regarded as key to understanding decisions concerning utilisation or mobilisation of resources in response to trends and shocks (Carney, 1998; Ellis, 2000; Scoones, 1998). It is argued that trends as well as shocks, the main features of the vulnerability context, should be analysed because they have an important influence on any chosen livelihood strategy and the subsequent outcomes (ibid, 1998).

This chapter provides a background to the remainder of the thesis by examining the vulnerability context of Thais at a broad level. The aim is to examine the changing social, political and economic situation in Thailand with particular focus on those areas that directly affect resources and influence livelihoods. The first part of the chapter gives a historical perspective on the Thai political system as well as the socio-cultural beliefs, which to a certain degree shape the way people obtain access and control over resources and frame relationships between individuals in different social groups. The chapter moves on to explore development trends since the Second World War, from the first national development plan up to the pre crisis period of mid 1997, looking at the different development strategies adopted in each period. The subsequent section analyses these strategies in terms of how they may affect an individual’s resource stocks and accumulation. The chapter then moves on to discuss the impact of such development policies on Thai livelihood outcomes. Particular attention is paid to employment and income of individuals, an increasingly important aspect of livelihood construction. All of this analysis is derived from available secondary data and archive literature. The final section of the chapter summarises the main points covered.

Background information on Thailand

Thailand has a population of 63 million. The kingdom is endowed with rich natural resources that include extensive, but recently diminished, areas of forests that contain evergreen, teak and other hardwood trees, as well as diverse animal and plant life. Tin ore has also been an important natural resource over the last century. The country has extensive river systems and the southern and eastern regions of the country have large coastlines (Dixon, 1999). The rich natural resource endowment has provided a good basis for Thai livelihoods and at a national level food production has always been more than sufficient for domestic consumption. This is partly owing to the tropical climate which provides an excellent setting for agricultural production. For a long time after the signing of the Bowring Treaty with England in 1855, the export of natural resources as well as agricultural produce, especially rice and rubber, was the largest source of export income (*ibid*, 2002) and up until the 1980s, the agricultural sector employed more than 70% of the total labour force (Darunee and Pandey, 1997).

Although Thailand is a relatively small country with an area of approximately 513,600 square km (roughly the size of France), the country has quite varied terrain. Thailand can be divided into 5 geographical regions of North, North-east, South, East and Central Thailand. These different regions have differing endowments of natural resources and to some degree variations in climate, both of which can be argued to influence people's livelihood. The southern region has much coast line and has relatively higher rainfall. For this reason, the livelihood of many southerners is related to the sea, particularly fishing and tourism. The north, in contrast, is located on higher land with a relatively cooler climate which is suitable for vegetables, fruit and rice farming. However, it should be noted that within the same region, a great diversity in terrain, ways of life and ethnicity and culture can be found.

Although historically natural resources have always been plentiful it is difficult to say how, in the past, people obtained access to and control over these resources. As for many aspects of Thai history, evidence on the issues is limited (Nithi, 1992). According to the oldest engraving stone that dates back to the Ramkamhaeng period of the Sukhothai dynasty in the 13th century, it was stated by King Ramkamhaeng that "*In the water, there were fish. In the field, there was rice. Whoever wants to trade elephant, feel free to do so. Whoever wants to trade horse, feel free to do so.*" This has been interpreted as implying a

high degree of freedom in utilising resources and a freedom to choose one's livelihood strategy. That is one could fish, get access to abundant fields to grow rice or hunt elephants or raise horses for trading. This is perhaps only plausible if there was an abundance of resources at this time. Rules and regulations concerning access and control of resources are often adopted when resources become scarce. However, there is little historical evidence from this period to suggest any such rules existed, which could also be interpreted as implying an abundance of available resources.

The modernisation of the political system

The political system of the country has changed markedly over the past 700 years. There is only scant information available on how the country was governed by the monarchy during the Sukhothai period (1238 – mid 15th century), although a well-known narrative from that time, Tripoom Phra Ruang, discusses the relationship of Sukhothai with its neighbouring Khmer. Some parts of this work refer to the relationship between the King and his people as a paternal one. In the Thai context, this meant the people were expected to behave as obedient children and be respectful of their powerful and wise father, the King. Of course the implication is also that the child expects to be punished by their father if they do something inappropriate. Many judiciary decisions were made by the king, including resolving conflict over who should have access to and control over particular resources.

The decline of the Sukhothai dynasty coincided with the rise of the Ayuthya dynasty (1350 – 1767), which came with a significant change in the governing system. Although the country was still governed under absolute monarchy, the relationship between the King and his people was transformed. During the Ayuthya period, the “Sakdina” system, a clearly defined class system, was introduced under the reign of King Tri Lokkanat (1448-1488) (Boonyong, 1974). With Hindu and Khmer influences, the King, who had God status, had ownership of all land in the Kingdom. Under this system, varying portions of land were distributed to administrative elite according to rank. As well as land, the governing elite were given a number of slaves. Commoners both male and female were also required to work for the elite for some months of the year (ibid, 1974; Thongchai, 1997). Generally it was males who worked for their superior, usually in the wet season, leaving females to run the household and be responsible for domestic activities.

Under the Sakdina system, the system of access and control over resources was clearly defined. Many types of resources were distributed according to class, including physical resources such as land, produce from farming and other activities, and also the labour of commoners and slaves. The governing elite had access and control over larger areas of land and a larger number of slaves and commoners, as well as the produce and financial resources that were derived from them. The higher class tended to have higher quality social resources, including connections with the king, other elites and perhaps traders as well as their inferior commoners and slaves. These rich social resources of the elite could also help to enhance their base of natural resources and labour.

As well as the division of duties and differentiated access to and control over resources according to class that occurred under the Sakdina system, I would also argue that the system had many implications for gender. For the slave class, both men and women had little control over any kind of resource. They were not even allowed free use of their own labour or their children. Their lives were completely under administrative hands. Women could be sexually exploited or taken as wives by the elite class. The social control mechanisms which the elite class applied with the slave class was mainly physical punishment such as beating, withholding food and imprisonment. With regard to commoners, the men were required to labour for the administrative elite or the king during certain months of the year. The resulting absence of the male commoners at home meant that women were left to look after all the available resources and utilise them in maintaining the household (Amara, 1985). For the elite class, men had absolute power to control resources and the wives and women under his control could be regarded as a particularly valuable asset. Arguably, there was some degree of negotiation between the elite and his wives with regards to resource usage, e.g. finance or her own labour. In this sense, it may be contended that the Sakdina system not only defined resource usage and control according to class but to a certain degree gender.

Throughout the Ayuthya and Thonburi period and subsequent rule of the Chakri Dynasty, Thailand retained the governing system of an absolute monarchy. The “Sakdina” system which Jitra (1974) equates to a slavery system was in practice until the period of King Chulalongkorn (1868-1910) though its form changed somewhat over time. King Chulalongkorn gradually abolished the slavery system by freeing his own slaves and setting an example for his administration. The ending of the Sakdina system has often been

claimed to be the start of the modernisation of the Thai state and its political system (Buapan, 2000; Reynolds, 1987). Although the removal of the Sakdina system was a unique case of a bloodless abolishment of slavery, the freedom given to people by the king can be viewed as the roots of a new system of patron-client relationships² which allows class divisions to persist to this day.

During the colonisation period many countries in Asia, as well as other parts of the world, had their regulations, social norms and practices directly influenced by the colonising western powers. Although Thailand was never colonised some authors (e.g. Costa, 2001) have suggested that Thailand was forced to adopt many western mannerisms and norms in order to maintain its freedom. This included various reforms instigated by King Chulalongkorn in order to modernise the country, including the previously mentioned abolition of slavery, establishment of the Thai educational system, the reform of legal, administrative, transportation and communication systems and formal foreign trade agreement, most notably the Bowring Treaty in 1855 (the treaty itself was signed during the reign of King Rama the fourth).

During the reign of King Chulalongkorn the first school was set up in Bangkok, aimed mainly at serving the Royal family and administrative elites. The new education system that emerged involved a standardised curriculum that aimed to teach people their roles as “Thai citizens” under the modernised state (Keyes, 1991, Wyatt, 1975, Costa, 1997). The new education system reduced the role of the temple as a source of educational provision which could only be accessed by males. Hence, it can be argued that the establishment of new schools provided the opportunity for females to obtain a similar education to males.

The King also sent students abroad for further education, although only members of the male elite. This included a particular group of students who were educated in Paris where they developed strong beliefs in the principles of democracy, equality and constitutional rules. On returning to Thailand in 1932 they organised a coup d’etat under the name of the People’s Party. The new king, King Prajadhipok (Rama VII 1925-1932), was forced to step down from the throne. This led to the establishment of a constitutional monarchy similar to

² Patron-client relationship is a mutually obligatory arrangement between an individual who has authority, social status, wealth, or some other personal resource (the patron) and another person who benefits from his or her support or influence (the client).

the system in Britain. In the same year, the first constitution was drafted and launched on the 10th December 1932. Since then, Thailand has been governed under a democratic system, while the king has remained the head of state. This change can be marked as a shift of absolute power from the king to the common people.

The introduction of the democratic system and what it meant for Thailand in terms of the distribution of resources and the controlling powers is still a subject of debate (Costa, 2001). From the early stages of democracy until the student uprising in 1973, the Thai democratic system was often likened more to a dictatorship. The prime ministers were all military leaders, except for Prime Minister Kukrit Pramoj who was a highly educated royal figure. By exploiting their previous military background and the commonly practiced patron-client system, these administrative figures were able to utilise the power of the military to their own political ends. Apichai (1993) has also suggested that the General Sarit Thanarat administration during the 1950s abused their power and social relations for personal gain. Also those who have social ties with the administrative power, and particularly those with capital backup were able to exploit these connections in trade agreements.

Thai culture: religious beliefs, social norms and practices

The anthropologist Anan (2001) raised concerns during the annual national anthropological conference that many studies in Thailand were ignorant of the theoretical debates that have arisen elsewhere. He argued, and I agree, that many traditional studies that use the village as a unit of analysis overemphasise the importance of culture as a structure which determines and explain people's behaviour. He explained that the notion of culture, defined by many anthropologists as shared values and practices of a collective group, is problematic as it does not view people as agency. Many other anthropologists, such as Pranee Wongtiet (2001), Yos Santasombat (1992) and Shalardchai Ramitanonda (1992), have challenged the idea of culture as shared values and offer an alternative view of culture. They draw attention to Thai culture as involving dynamic processes that are part of the overall transformation of Thai society. This dynamism of culture and the transformation therein, it is argued, stems from the negotiation of the actors with their rules/regulations and their surrounding (Buapan, 2000). That is to say that they view culture not purely as the context itself or an essence that cannot be changed but as a contested area where people can interact, negotiate, transform and reinterpret their cultural values and beliefs. As

previously mentioned, I share the view that culture can be seen as rules, regulations and accepted practices that influence people's behaviour, but are also negotiated by them, rather than a rigid structure in which people have to negotiate for their survival.

Bearing this in mind, the discussion that follows focuses on some areas of Thai culture that may impact on and influence the behaviour of Thais in general but particularly the villagers in my studied sites. Of course, cultural beliefs and practices are extensive and so the discussion is in no way attempting to be comprehensive. Examples of these beliefs and practices are selected with the aim of examining how they penetrate peoples lives. This section includes the discussion of Buddhist beliefs which Saeng (1999) suggests cannot be ignored when undertaking Thai studies as it is viewed by both state and Thai people to be the national religion. The social norms and expectation between men and women, intergenerational relationships which are rooted and supported by Buddhist beliefs are also used to show how such beliefs can determine behaviour.

In modern Thailand 93 % of the population claim to be Buddhist, the rest being mainly Christian or Muslim (National Statistical Office, 2001). Buddhism, to a great degree, influences Thai behaviour, attitudes and social relationships (Van Esterik, 2000; Jawanit, 2000; Kirsch, 1985). The concepts of "Bun" or "good deed" and "Bap" or "sin" can be seen to influence actions of individuals in modern Thai society. "Bun" and "Bap" are believed to be accumulated deeds that may be carried over in to the next life. It is believed that good deeds will be reciprocated and so someone doing a good deed will enjoy an act of good fortune some time in the future, though it is not guaranteed when one will receive this reward as one may have previously accumulated much sin. It can be argued that though the essence of this teaching is to encourage people to do good deeds, it can also be viewed as a social control mechanism. In some ways these beliefs enforce the acceptance of the social position or class in which one is located, as it is believed to be divinely decided according to accumulated Buns and Baps. It also does not encourage one to question unequal wealth, social status or relations, for example, why one person is paid more than another, or why men may have superior status to women in certain arenas. In this sense, the bun and bap belief may be argued to support the unequal access and control over resources both under the previous Sakdina system and contemporary democracy.

It should be noted that although Buddhism is still in practice, the lay Buddhist may not adhere strictly to its ideology (Keyes, 1984). Keyes argued that Buddhism needs to be

analysed in the social context in which it is based. This observation is supported by Bhikkhuni Thammanantha (2003), the first ever Thai female monk, who argued that in fact Buddhism has changed and been blended with other beliefs such as Brahminism and Hinduism as well being influenced by a changing society. The interaction of Buddhist belief with these new beliefs provide space for the actors to redefine and reinterpret the essence of Buddhism. Bhikkhuni Thammanantha expressed the view that the prohibition of female ordination is a new interpretation of the essence, as it is believed the lord Buddha did in fact ordain his own aunt following his enlightenment (*ibid*, 2003). Religious beliefs and their influences should be analysed taking account of social and cultural context.

The religious beliefs also have an influence on the Thai kinship system, patterns of marriage and other social expectations which influence people's livelihood strategies. These practices were based on the 'bun khun' ('bun' means good deed and 'khun' means your) concept or gratitude. That is it is believed that if one does a good deed towards another, the recipient of the good deed has a duty to repay their debt or 'bun khun'. On the intergenerational front, according to Bencha (1992a; 1992b), parental responsibilities are threefold: namely to provide for and raise children to adulthood, accumulate physical and financial resources for children's inheritance and encourage daughters to marry in order to ensure the parents' financial security/resources in old age. Sons and daughters, on the other hand, had different responsibilities and roles. Unmarried sons were expected to provide labour and security for parents, while the labour of married sons was transferred to the bride's household on marriage. Daughters, however, were always expected and obliged to look after elderly parents (Churairat, 1986). In this case, with limited financial resources, parents had to decide which of their offspring they want to invest in, and to what level.

An important example of how culturally rooted practices influence control and access to resources of individuals is the arrangement of the household settlement. The resettlement of newly wedded couples has been a focus of many researchers and the common practice was found to differ according to region. Various ethnographic researches show that families in the north and northeast of Thailand tend to be either matrilocal or matrilineal (Davis, 1984; Turton, 1984; Cohen et.al, 1984; Keyes, 1984; Kirsch, 1982; Warunee, 1997). In these particular regions, newly married couples are usually expected to stay with the bride's family. Clearly, labour is a valued resource and so the husband's labour was expected to be dedicated to production on the bride's family farm. The husband, who was

referred to as "kwai ngan" (working buffalo), had to prove to the bride's family that he was a hard and responsible worker who would be able to support his new family. In some ways, this can be seen as a strategy in which the newly wedded couple invests their labour reciprocally to enrich their social resource stock. This stock can be drawn upon and transformed into other kinds of resources in times of need. For example, if the husband proved to be sufficiently hard working, then he would be given a portion of farming and residential land to set up his own home, usually after the first offspring reached the age of four.

This section has introduced some aspects of Thai culture that can play an important role in determining the livelihoods of individuals investigated in this research. In the Thai historical context, natural resources have always played a key role in many livelihoods and so examples of such resources have been introduced. The Thai political system has also been described. It has been explained how, in the past, the Sakdina system was key in determining how resources, including human resources of slaves and physical resources of land, were distributed. Governing rules, cultural belief and social expectation are also contributing factors determining the patterns of social constructions. Some important examples have been used to show how the accumulation and use of resources can be influenced by such formal and informal rules. In conclusion, this research must be sensitive to the rich context of socially constructed expectations, opportunities and constraints when analysing individual livelihoods and the associated generation, transformation and utilisation of resources.

Five decades of Thai development

“Kaanpattana” or “development” is relatively new vocabulary in Thailand (Rigg, 1997). Thais first adopted this word following the pattern of economic development of the ‘Marshall plan’ undertaken in Europe following the end of the World War II (Todaro, 1997). ‘Kaanpattana’ first appeared in the national development plan following the consultation of the Thai government with the WB specialist team in the late 1950s. The term refers mainly to modernisation of production for economic growth (Rigg, 1997; Turton, 1993). On the long path of development, Thailand has employed various development strategies including import substitution, industrialisation and liberalisation.

These strategies have inevitably impacted upon the Thai economy and social structure, national and individually owned resources, as well as Thai lives.

Social and Economic Development Plan 1-3: the import substitution strategy (1961-1976)

The first three economic plans had a clearly stated aim of development for economic growth (NESDB, 1965). To achieve this ultimate goal, the National Economic and Social Development Board (NESDB) encouraged private investment to play an important role in the development process while the role of the state was reduced to be more of facilitator rather than investor. However, this facilitatory role was important for supporting investors under the import substitution strategy.

The import substitution strategy was aimed at achieving two things (BOT, 1965). Firstly, with a rationale of reducing foreign expenditure, import substitution production was promoted, especially the previously heavily imported products such as gunny bags, sugar and paper. Secondly, the strategy aimed to increase exports of natural resources and agricultural produce, where the country already had a strong hold. Overall, both actions were hoped to increase foreign income and reduce the foreign expenditure.

A number of promotion and protection measures were put in place to support this strategy. For example, the government promoted the newly established industries by giving privileges both in terms of tax exemption for imported inputs and machinery as well as a lower income tax rates for producers (BOI, 1961). To reduce competition with these newly established industries, the government also placed high import duties on specified products and also transformed existing government factories into state enterprises. That is to say that the government withdrew from their role as a competitor with private industry.

On the other hand, the government supported the export of natural and agricultural produce by encouraging an expansion of agricultural production as well as an increase in the variety of crops grown. Various basic and economic infrastructures were constructed to support an investment in this sector (NESDB, 1964). This included the construction of road links, irrigation systems, dams and electrical supplies, the crucial resources for production and export (Apichai, 2002; Buapan, 2000).

Strong financial and ideological support for these construction projects came from the WB and the USA government. Apichai (2002) argued that the support of the WB and the USA was mainly an attempt to prevent the spreading of communist regimes in South East Asia. For example, the US sponsored Friendship Road construction was argued to be aimed at improving connections with remote areas so that the spread of communism could be more easily prevented. The BOT (1965), on the other hand, pointed out that the WB's intention was to promote development as a humanitarian aid.

Regardless of contentious issues, the implication of the expansion of basic infrastructure was that it enabled people to gain closer proximity to the market (Buapan, 2000; Awae, 1996). Road connections linked labour with a wider labour market and newly established industries. Produce, on the other hand, could be transported more easily for different domestic markets as well as for export. Dams and irrigation systems were eminent physical resources that allowed cash crop production to occur more smoothly regardless of seasonal changes.

In short, the first three plans were focused on the expansion of basic infrastructure, promotion of agricultural export and natural resources and the promotion of import substituted industries with the ultimate goal of economic growth. Very little on the issues of social development such as health and education was mentioned in the first plan whereas some aspects, such as population control and promotion of education, were added in Plans 2-3 (NESDB, 1967). Even though social development aspects were addressed in the plans, cynics would argue that people were still viewed as an engine for economic development, or the growth producers, rather than having their own development needs. Government health development focused attention on the health and hygiene of mothers to improve infant mortality rates. During the premiership of General Plaeg Phibulsongkram (1948-1957), there was also government encouragement for mothers to have as many children as possible (there was a contest for the mother with the most number of children and also a healthy child contest) so that all the children could end up contributing to the labour force and thus fuelling national development (Bussakorn, 2002).

Social and Economic Development Plan 4-5: Industrialisation and export oriented strategy (1977-1986)

During the transitional period in the 1970s and 1980s, Thailand encountered a highly unstable period. This instability stemmed from a bad drought in 1969, fluctuating world commodity market, domestic political turbulence and the oil shocks (Pasuk and Baker, 1995; Apichai, 2002). Exporters, middlemen, farmers and their households were affected by the world price fluctuations, particularly as farmers had moved away from a subsistence crop production and became more dependent on the previously attractive cash crop market (Buapan, 2000). Poor farmers, in particular, were unsatisfied as, even during good times, the economic benefits derived from agricultural production were not fairly split between the farmers and capitalists (*ibid*, 2002).

The policies in the previous period were increasingly criticised for generating a gap in financial resource distribution both along lines of geographical location, class and gender (Apichai, 2002). It became apparent that major government construction projects were concentrated in central regions but elsewhere there was relatively little development of this kind. The nature of such development projects in urban and rural areas also differed. For example, while dams were being built on rivers upstream i.e. usually in a rural area, the electricity generated was drawn into the cities to supply factories and urban consumption. As a consequence, the new private investment was concentrated where the new infrastructure was in place, which meant large towns rather than rural areas.

Anyhow, the subsequent oil shocks in the 1980s generated adverse effects on the Thai economy. In particular, the newly established import substitution industries were adversely affected when the cost of fuel drastically increased. The oil price increased from 30.75 dollars per barrel in 1980 to its peak of 38.85 dollars per barrel in 1981 (Energy Information Admission, 2003). Those industries that relied heavily on imported fuels were obviously affected as the price of fuel was push up by approximately 26 % over just one year (Chaipat, 1992).

Fluctuation in the world commodity prices had a direct impact on Thai agricultural exports, the main foreign income of the country. According to the available statistics of the growth rate of export value of principal crops, the annual average growth rate of key main export produce such as rice, rubber and maize reduced from 36.6%, 13.9% and 25.2% in 1979-81

to 1.2%, 7.4% and 7.1% in 1982-84 respectively, while the output of these crops was fairly constant (BOT, 2004). The decline in price was believed to be a result of a global excess of these produce, a consequence of the green revolution in various countries (Pisit, 1991; Ammar, 1992). Pasuk and Baker (1995) argued that when the agricultural sector has been affected, farmers or the lowest class within this sector tended to be adversely affected and exploited because of the existing power imbalances and their low bargaining power with either middlemen or exporters.

The economic effects of a depressed agricultural export position were compounded by changes in the service sector. This sector was reliant on the custom of American military bases, established in the previous decade to fight communism in the region, which started to close down in 1976 following the end of the Vietnam war (Apichai, 2002). Inevitably, this decline in financial returns from agricultural production and the decrease in demand for service labour affected the income of many individuals.

The financial resources of the country as a whole were further drained by heavy spending and the previous debts created by the defense ministry during the leadership of Thanom Kittikachorn (Ammar, 2000). As a result of the devaluation of the baht, the loan received to buy arms, for example, increased in value from 44.7 million baht in the fiscal year 1976 to 869.2 million baht in the fiscal year 1981 as a result of US dollar appreciation (Prayong et.al., 1988). In 1981, Thailand experienced its first economic crisis. The contributory factors to the outbreak included the aforementioned overspending, unserviceable levels of debt, a drastic drop in export values, a loss of export competitiveness, a sharp decline in international reserves, a high inflation rate and a huge balance of payment deficit (Chaipat, 1992; Apichai, 2002).

In response to this crisis, the Thai government devalued the baht in 1981 and again in 1984 and sought help from the IMF and the WB, ultimately leading to the ESAPs. A total amount of Special Drawing Right (SDR) 386.6 million was used to supplement the international reserve position and resolve the liquidity problem. The programmes³ were targeted at removing price distortions, reducing the role of the public sector and

³ These adjustment policies were not only implemented in Thailand but also in many different countries. It has been highly criticised in various respects. This ranges from the debates over its applicability, its ownership, its sequencing, and its impact both economically and socially. The programmes were criticised

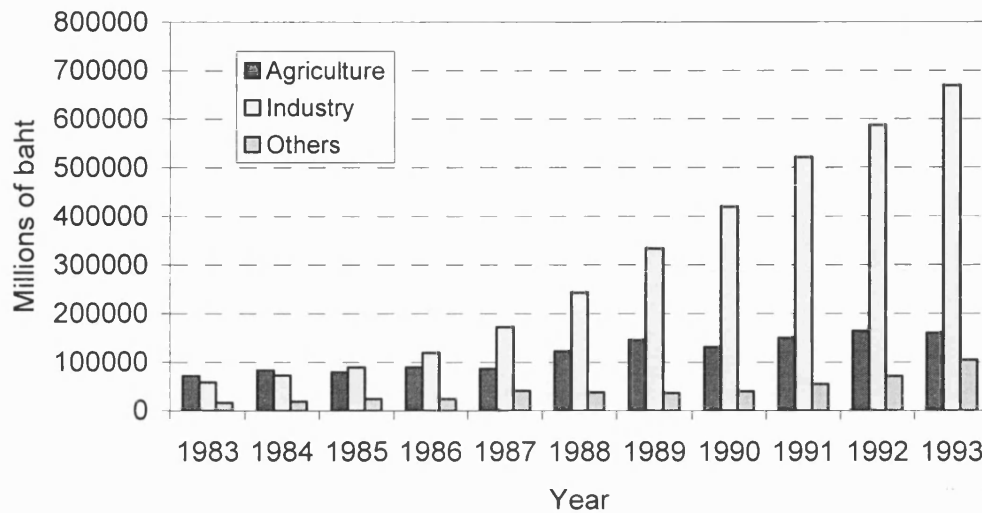
encouraging private companies to invest and compete in a liberalised market. It constituted five main measures of (i) resource mobilisation from less to more productive sectors (ii) tightening monetary policy to stabilise the exchange rate (iii) removal of price distortion in energy products to reflect the real price and letting the market signal work (iv) industrialisation of tradable goods production aiming to increase a national income and (v) cash crop promotion (Chaipat, 1992; Pisit, 1991).

Among all these policies under the ESAPs, a main issue that deserves discussion here is the mobilisation of resources from non-tradable to tradable productions, especially manufacturing and services. Under the structural adjustment programmes, Thailand was set on an export-oriented strategy in tackling the economic crisis (Sirilaksana, 1988). This strategy included various measures, such as increasing the volume of current export products/produce, promoting the export of new products and setting up and encouraging investment in new export industries (*ibid*, 1988).

The BOT (1988) believed that the main reason for the doubling of the export value from 1978-1987 was the pro-export strategy, together with other favourable environmental factors such as the relocation of Japanese firms to Thailand following the Plaza Concord agreement to adjust the value of the Yen. Beside the increase in export value, the export structure also dramatically changed. Fig. 2.1 reveals a trend of increasing industrial export value at current prices while the export value of agricultural and other produces have fluctuated. For the first time in history, in 1985 the current value of industrial exports, at approximately 90,000 million baht, became greater than the value of agricultural exports. The gap in current export value between both sectors continued to grow year on year. In the year 1990, the export value at current prices of industrial products was more than double the value of agricultural produce.

for being too standardised and ignoring preconditions in the countries, particularly social, cultural and institutional contexts (Tsikata, 2000; Beneria, 1999), though the IMF's staff, Mussa, denied the accusation and argued that if the shoe fits wear it (Mussa, 1997). Tsikata (2000) and Kanji (1994) further argued that the way programmes were planned out were undemocratic with the host countries then not having a sense of programmes ownership. Williamson (1994), Toye (1999), and Johnston et.al. (1997) also criticised the approach of sequencing the programmes which directly had consequences on the impacts on the host economy. Among all these criticisms, the debate on the impacts on people both economically and socially gained much popularity. Many feminist researchers argued that women were losing from any benefits while bearing more burden of the costs (Elson, 1995; Beneria, 1999; Moser, 1993; Sterwart, 1993; Sparr, 1995; Gladwin, 1997). The poor and vulnerable people tended to also lose out.

Figure 2.1: Thai export value classified by sector at current prices



Source: Export Promotion Department (EPD), MOC, 1995

Apart from the drastic increase in value of industrial exports shown in Fig 2.1, there was also a rise in foreign income in the service sector. This was partly due to the promotion of export labour, especially involving unskilled Thai construction labourers in the Middle-East (Sirilaksana, 1988). Tourism promotion policies can also be cited as one of the contributing factors to growth in the service sector. The Tourism Authority of Thailand (TAT) used the promotional “Visit Thailand Year” of 1987 in order to draw more tourists from abroad. Tourism was now regarded as an important source of foreign income, as reflected by the specific tourist promotion policy added to the fifth national socio-economic plan (1982-1986). Subsequently, the number of foreign visitors to Thailand increased from 1.85 million to 3.48 million during the period 1980-1987.

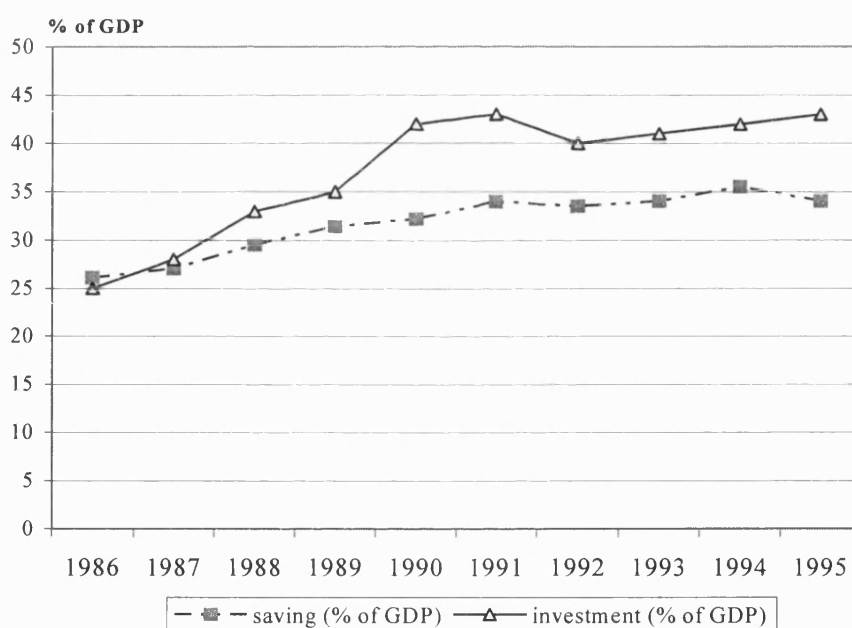
Social and Economic Development Plan 6-7: Financial liberalisation (1987-1996)

The period of Plan 6-7 was a significant decade for Thai economic history because of the outstanding economic performance. In 1993, Thailand was quoted as the “world economic miracle” by the WB and given the status of the “fifth tiger” of the emerging Newly Industrialised Countries (NICs) by many economic commentators (WB, 1993; Muscat, 1995). The country was used as a role model for economic development and the economic success, particularly double-digit growth rate, during the ESAPs was used as evidence of their success. However, the outward looking policies of industrialisation and export oriented strategy alone are perhaps not enough to explain the miracle without the mention

of other contributing factors, such as the relocation of foreign industries and the favourable external conditions⁴.

Following the industrialisation period, there has been an increase in investment domestically. As shown in Fig. 2.2, the investment rate has increased from 34% of GDP in 1989 to 42% of GDP in 1990. Even though the saving rates of over 30% of GDP in 1989 at the time was not low by international standards it was not enough to service such a high investment requirement. In 1990 the BOT accepted that the country had a problem of a rising investment-saving gap (Chaiyawat and Orasa, 1993). Fig. 2.2 reveals this increasing gap which was continuously growing from -1% of GDP in the year 1987 to 9.8% at its peak in 1990.

Figure 2.2: National Saving and Investment Rates (% of GDP)



Source: Bank of Thailand Bulletin, several issues

To service this high demand for domestic investment, the Thai authority looked more closely at the possibility of liberalising the financial market which was, at the time, the

⁴ For example, the G-5 intervention in which central banks of five major industrialised economies coordinated their efforts in the foreign exchange markets to bring down the value of the US dollar which subsequently devalued the attached baht.

trend of world financial development (Chantawan and Wachira, 1994). The central bank reasoned that the liberalisation would help maintain the high economic performance by mobilising extra capital to support the high demand for investment (*ibid*, 1994). A paper addressed to the Central Bank's Governor's meeting by Dr. Chaipayat Wibulswasdi, Assistant Governor of the Bank of Thailand in Manila, 1993 read:

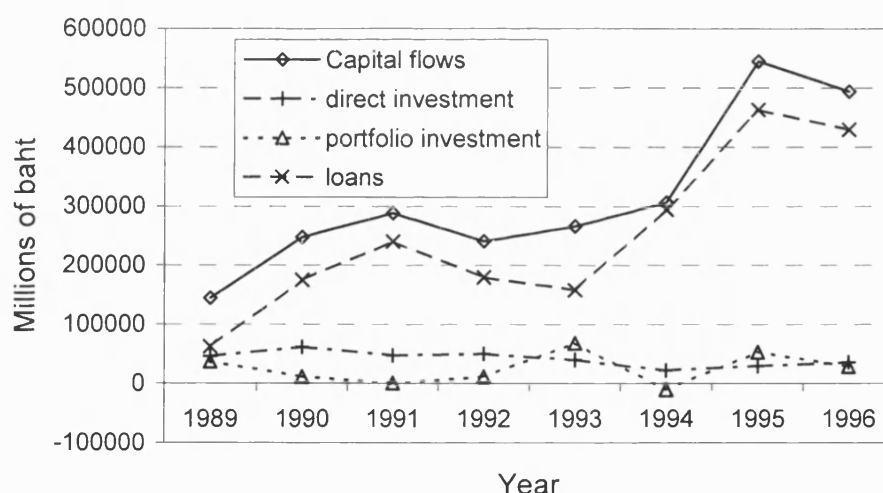
"... the move towards a more liberalized financial regime has been accelerated as the countries are engaged in higher stages of economic development. This is precisely the case of Thailand where one of the major policies has been to expedite the process of financial reforms in response to the fast-growing economy and the globalization trend worldwide ...This constitutes a need for a more sophisticated and efficient financial system to support this promising growth and to provide better and more convenient financial services to the public at large. Such goals could not be attained without financial reforms towards a more liberalized system (Chaipayat and Orasa, 1993 page 13-14)."

Apart from domestic needs, Thailand was pressurised by the world financial arena. For example, the talk of the expansion of trade in services under the Uruguay Round and the Single European Market worked as a stimulant for Thailand to look into the possibility of transforming the country into a regional financial centre (Chaipayat and Orasa, 1994). As a consequence, Thailand set up a plan for financial reform which aimed (i) to increase the efficiency of the Thai financial system in order to attract more investment and to effectively allocate financial resources according to needs (ii) to increase saving levels by providing a wider variety of saving products (iii) to prepare the country to act as the Asian financial centre by creating an appropriate environment including ensuring globally competitive benefits (Chantawan et.al., 1994).

The process of financial liberalisation included the relaxation of exchange control restrictions under the signed agreement of Article XIV and VIII with the IMF on 21 May 1990 (BOT, 1990). This agreement allowed free mobility and flexibility of private businesses to trade on the foreign exchange. Moreover, exporters were allowed to transfer foreign currency deposits for overseas debt payment. The interest rate was also gradually liberalised to encourage savings. The financial institutions were also given more authority in managing their portfolios to increase flexibility (*ibid*, 1994). As a consequence, changes to the regulations on non-performing loans (to the minimum requirements of the Bank for International Settlement) as well as a relatively fixed basket exchange rate created more favourable conditions for attracting short-term capital.

A major landmark for financial liberalisation in Thailand was the establishment of the Bangkok International Banking Facilities (BIBFs) in 1993. The BIBFs together with a new monetary regulation of non-residential bank account allowed both domestic and foreign customers to disburse and deposit capital in foreign currencies. The three main services of these facilities were termed out-in, in-out and out-out transactions (Mingsarn, 1998). As shown in Fig. 2.3, after the start of the BIBFs, the capital inflow started to expand from 265,895 million baht in 1993 to 305,851 million baht in 1994. It drastically increased in the following year to 545,826 million baht or by 101 % over a period of 2 years. The factor that push up the total new flow of the private investment was the out-in service of the BIBFs itself which constitute for almost 74% and 96% of total net flow in 1993 and 1994 respectively. The direct investment slowly adjusted downwards after the opening of the BIBFs service as shown in Fig. 2.3.

Figure 2.3: Net flow of private financial account 1989-1996 (million of baht)

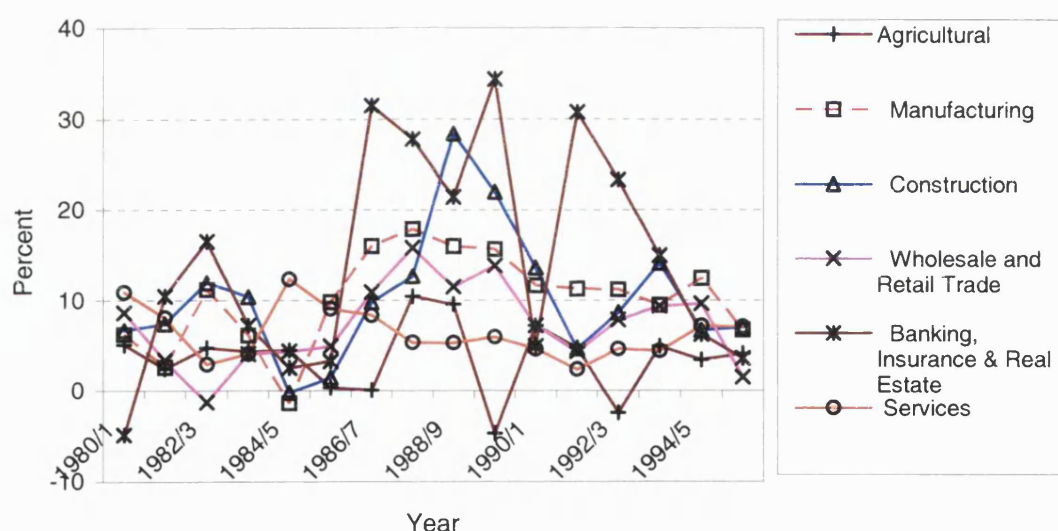


Source: BOT, 2004

According to the BOT, the decline was due to three main reasons. Firstly, the investors converted the source of capital to BIBFs which gave a more competitive interest rate hence relatively lower input. Secondly, large foreign investors' economies such as the Japanese were on the economic downturn, hence there was a slow down in investment abroad. Also, the foreign companies started to move away to the neighbouring countries as the costs of labour and other resources became competitive in comparison to Thais.

Many have claimed that the financial liberalisation in Thailand came at an appropriate time in helping to maintain the high economic growth especially when the country faced high investment and savings gaps (Chaiyawat and Orasa, 1993). Ammar (2000) suggested that a foreign capital inflow maintained the investment boom in Thailand in the 1990s which otherwise could have been slowed down. All sectors except the agricultural sector underwent a period of growth (see Fig. 2.4) while the highest GDP growth was seen in the banking, insurance and real estate sector rising from 5 % in 1990/1 to 30.7 % in 1991/2. The second largest growth was the construction sector with an increase from 5 % to 15 % of GDP growth between 1990/1 and 1991/2. The expansion of both sectors were believed to stem from a high demand in office buildings supporting new investment.

Figure 2.4: Growth rate of the Gross Domestic Products at 1988 Constant Price (1980-1996)

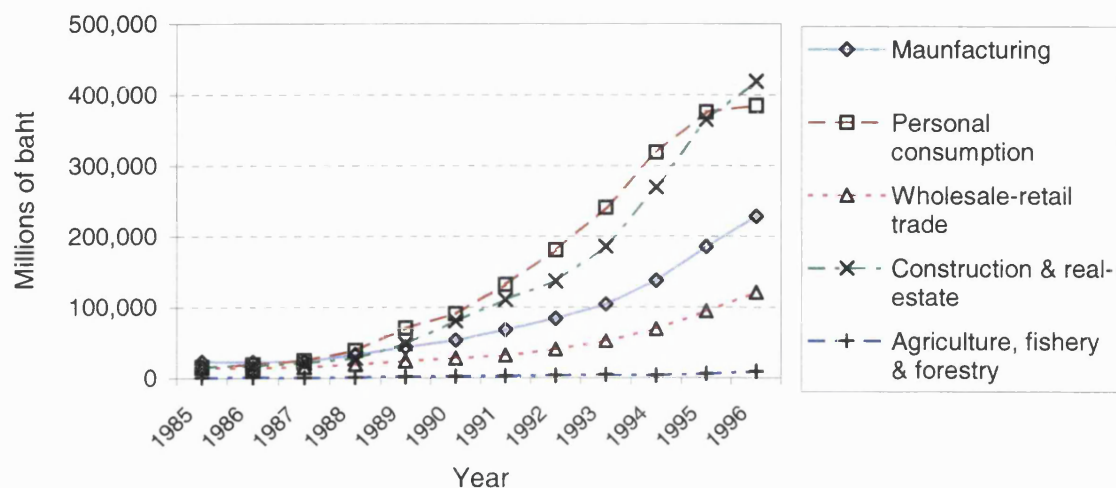


Source: BOT undated

Unlike the manufacturing export-led growth of the 1980s, the real estate and property construction boom, as well as an influx of foreign capital, were now claimed to be the main factors contributing to economic growth. The data of Fig. 2.5 tends to confirm that this boom was fuelled by an exponential increase in loans, mostly disbursed for personal consumption or construction and real estate purposes. The total value outstanding rose particularly for personal consumption (from 91,031 to 375,949 million baht) and

construction (from 80,949 to 365,727 million baht) between 1990, the start of the liberalisation, and 1994 one year after the BIBFs started.

Figure 2.5: Loan of Finance and Finance & Securities Companies Classified by Purpose (Outstanding) 1985-1996



Source: BOT undated

In all, the financial liberalisation strategy was in place for the purpose of developing the monetary system in order to serve the capital requirement for investment and to maintain growth. Following the influx of capital subsequent to the adoption of the liberalisation policies, the economic growth continued, though the pattern of investment was concentrated in real estate, construction and consumption.

Development trends and Thai resources

Buapan (2000), in his study of the rural transformation and gender relations in the northeast of Thailand, has clarified that the livelihood of many Thais was reliant on available natural resources and environmental settings. Pasuk and Baker (1993) have in fact argued that the “success” story of the economic development, judged by economic growth, owes much to the rich natural resources of the country. Timber and a mineral (tin), for example, have been transformed into two of the three leading export products, second only to rice (Apichai, 2002). The increased export of these natural resources together with the export of other agricultural produce, which are also highly dependent on the natural

environment, was reflected in the average GDP growth rate of approximately 7% throughout the first three national development plans (*ibid*, 2002).

Natural water sources and free land (uncertified land) have been increasingly utilised for agricultural production throughout the Thai economic development, though the proportional contribution to GDP has declined from approximately 70% in the 1950s to 27% in 1970 to 10% in 2002 (Ammar, 1993; Pasuk and Baker, 1995). It should be remarked that this decline owes more to the increases in value of other exports than a decline in agricultural production (BOT, 2003).

The pattern of utilisation of land as well as other natural resources for agricultural production has changed over time. At the early stages of development, when there was an abundance of land, people were free to clear forests to grow cash crops, which had highly attractive financial rewards (*ibid*, 1993). Ammar (1993) analysed the pattern of land usage and were led to the same conclusion that an increase in agricultural produce for the export market was created not by more efficient usage of land but by land expansion. However, following the industrialisation strategy, with the reduction in available land for farming, the land was used more efficiently (Ammar, 1993). This increase in productivity as Ammar (1993) claimed, was the result of using high yielding variety seeds and agricultural production technologies such as machines and chemical inputs.

Focusing attention on the improvements in basic infrastructure, such as roads and irrigation systems, this can be viewed as supporting mechanisms for economic growth. If carefully scrutinised, one would see that these gains were actually traded with the further depletion of forest land as well as the disturbance of river systems (Rigg, 1995). Although economic growth was generated, many authors were concerned with the other types of costs that the Thais paid. Hirsch (1990) and Mingsarn (1997) in particular stressed the negative impact of the exhaustive use of the forest and other natural resources on the rural poor. This is because the lives of the rural poor, especially women who were responsible for household welfare, were highly dependent on this natural resource in terms of the utilisation of forest for building materials, food and medicinal materials. As Niwat (2001) put it: the forest is a “supermarket” for rural women. The significant decline in the quantity and quality of natural resources is reflected by the drastic decrease in forest area in Thailand. Between 1961 and 1967, the forest area reduced from approximately 53.3% to 48.0% of total area and then underwent further drastic decline to 29.3% by 1983 (Ammar, 1990).

It may be true that the export of natural resources and the construction of infrastructure were main contributing factors in economic growth. However, one needs to realise that the costs in terms of natural resource depletion was considerable. This, as Parida (2003) identified, included the disturbance of the rainfall cycle (due to deforestation which affected the level of humidity in the atmosphere) which resulted in a loss of biodiversity both in the forest and the river basins (the reduction of rainfall prevented certain fish and aquatic plants breeding). All of this creates a potential knock on effect for farmers and Thais in general.

The industrialisation strategy being adopted in line with the ESAPs under the IMF and the WB support in the early 1980s has had numerous impacts on Thais. Although there was not much debate domestically about the ESAPs with regards to the process of the Programmes' planning, the strategy has often been criticised as enlarging the already wide gap of dual development. Nitaya (1997) also stated that the industrial and export processing zones built at the time were located only in areas which were already quite developed such as Bangkok. Pasuk commented on this issue, writing

"The major sources of capital were derived from agriculture and foreign loans and investments. The surplus, however, was not reinvested in the rural agricultural sector. Instead, it was channeled into urban expansion of offering incentives (such as modern infrastructure, tax relief, an unlimited pool of cheap labour) to ensure high returns on urban investment." (Pasuk, 1982).

Parnwell (1996) further argued that the overemphasis on economic growth during that period and a concentrated expansion of infrastructure in the central area created a problem of centralisation of development and spatial inequities. This included an uneven regional income distribution. Buapan (2000) studied the impact of the rural transformation on gender relations in the Northeast of Thailand from the 1970s up to 1997 and found that the intensified cash oriented economy forced rural villagers to diversify their livelihoods from mainly agricultural-based to non-agricultural income-generating activities. Migration of women into cities in search of waged work, usually in newly established factories or in handicraft industries was apparent in the villages studied. This could mean that the intensification of the cash crop production or the change of the mode of production had some impact on the lives of people though it is difficult to identify how their social relations have changed under such circumstances. Mills (2002) concluded in her study that industrialisation is one of most important factors contributing to a massive rural-to-urban migration in the Northeastern of Thailand. In this sense, it can be seen that labour and

human resources were drawn from the rural areas to serve the new mode of production in the urban settings.

Bell (1995) analysed the aftermath of the structural adjustment and the economic boom and concluded that the boom was built largely on the back of women. He came to this conclusion by teasing out top ten most earned foreign income of the manufacturing products and found that all top ten products were made with more than 80 % female labour. He further argued that female workers were highly exploited. Pasuk (1993) also stated that the economic miracle of the kingdom stemmed in part from the sex industry, on which data has never been collected officially. She believes that such data would indicate an outstanding income generated by this sector.

As previously mentioned, very little was specified with regard to human resources during the first three plans. The only thing that was discussed was the control of the expansion and reduction of population growth, with the worry that existing natural resources may be overused if the population continued to grow (Parida, 2003). Though more attention was paid to this aspect of development in the later national plans as there was a recognition that the development goals of economic growth could only be achieved with an improved quality of human resources, which requires better health and education services (Oonta, 1987). Plan 7 was the mark of different as it was the first time that the human development plan was directly addressed (NESDB, 1987). The aim was to improve people's wellbeing by emphasizing improvement in both health and education. This included rural health care provision through the establishment of village's health volunteers, and the setting up of schools in remote areas (*ibid*, 1987). It can be contended that the fruit of such plans as well as the help received from the WHO and UNICEF, in terms of technical support and financial resources, was reflected in an improvement in health and education indicators. The life expectancy for example increased from 63.2 years in 1985 to 71 years in 1990 and the rate of children suffering from first degree malnutrition also declined from 50.8% in 1980 to 25.1% and 19.3% in 1986 and 1990 respectively. Educational indicators also show signs of improvement (UNDP, 1999). The illiteracy rate for example has improved from 10.5% to 7.0% between 1980-1990 and the gender gap for illiteracy was also reduced (NSO, 1997). There was also a sign that people stayed in education for longer periods (*ibid*, 1997).

The development trends and some aspects of livelihood; employment and income

One thing that can be drawn from the discussion is that every shift in the development strategy in Thailand as well as the changes in the environment has created changes in the economic structure as well as other aspects of people's lives. During the implementation of the import substitution strategy, agricultural produce and natural resources were the two main leading exports. The incentives for industrial production under the industrialisation together with the unfavourable external environment for agricultural exports has shifted the export structure to be more manufacturing oriented as previously discussed (Fig. 2.1). The later shift in strategy to add on the financial liberalisation has also created the change in production to be more concentrated in real estate and property construction, though, this time without the explicit guidance from the government.

All of the changes in production structure can be argued to have a direct impact on employment, as one aspect of people's livelihood. Throughout the five decades of development, the trends of a declining labour participation rate in the largest agricultural sector was due to a mixture of contributing factors of (i) a divergence of farmers away from farm production subsequent to cuts and removal of government subsidies, (ii) the previous unstable world commodity market that push the farmers off their business, (iii) the relatively more attractive labour market in industrial and service sectors. All of these factors have resulted in a decline in agricultural production as well as a decline in the labour force in the sector. As Table 2.1 shows, the labour participation rate in the agricultural sector has gradually declined since 1970 from 84.0% to 66.5% in 1990 whilst the labour force participation rate in the industrial and service sectors has grown.

Table 2.1: Percentile distribution of labour classified by economic sector

Sector (%)	1970	1980	1983	1990	1992
Agriculture	84.0	72.6	74.0	66.5	57
Industry	4.4	7.1	7.8	10.8	17
Service	11.7	19.9	18.1	22.7	24.5

Source: Far Eastern Economic Review Yearbook 1993

It may be argued that the expansion of production in the manufacturing and service, tourist industries boasted a high economic growth rate during the industrialisation period. This reflected on a GDP growth rate at the current during the period which increase from 8.1% in 1983 to 10% at the end of decade and achieved the fastest growth in history of 13.3% in 1988 as shown in Table 2.2. However, many authors casted doubts on whether the benefits of the growth were fairly distributed amongst the Thai people. In fact, Pasuk (1998) and Muscat (1994) claim that the growth was very unevenly distributed and the earnings gap between the rich and the poor widened. Table 2.3 reveals that the richest 20% of the population gained most from the development process, with the proportion of total earnings received rising from 49.6% to almost 58% between 1975 and 1990. In contrast, earnings of the poorest 20% of the population dropped from 6% to 4% of total earnings over the same period. This means that in 1975 the richest 20% of the population earned 8 times as much as the poorest 20%, but by 1990 they earned 14 times as much. In short, throughout the development process, the rich have enjoyed bigger increases in wealth than the poor.

Table 2.2: GDP growth rate at market price

Year	1983	1984	1985	1986	1987	1988	1989	1990
Growth %	5.8	5.5	3.5	4.5	8.4	11.0	10.8	10.0

Source: BOT, quarter three bulletin 1985, 1988, and 1991

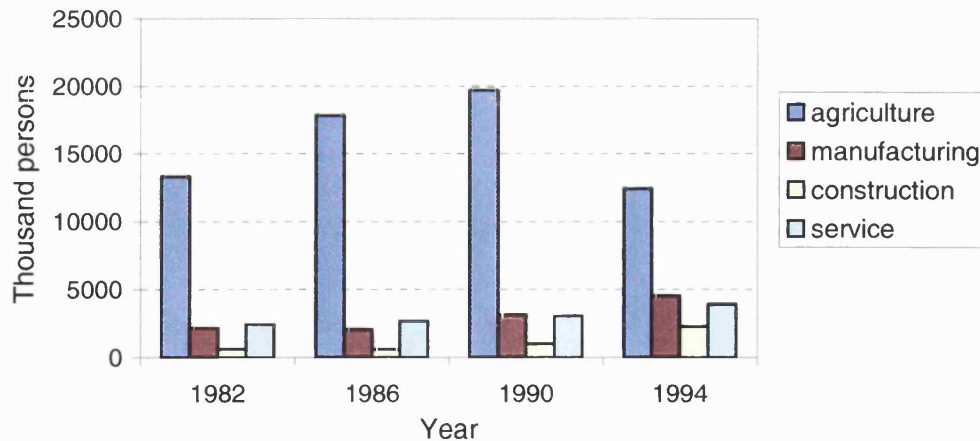
Table 2.3: Income distribution by quintile of population

Quintile	Percentage of total national earnings received				
	1975-6	1980-1	1985-6	1988-9	1990
1 st (richest)	49.59	51.47	55.63	54.62	57.67
2 nd	20.96	20.64	19.86	20.42	19.26
3 rd	14.00	13.38	12.09	12.31	11.50
4 th	9.73	9.10	7.87	8.07	7.38
5 th (poorest)	6.05	5.41	4.55	4.56	4.20
Gini coefficient	0.426	0.453	0.500	0.489	0.522

Source: Dixon, 1999

Increased investment in construction and real estate during the financial liberalisation, as well as increased personal consumption, affected the country's employment structure. As shown in Fig. 2.6, employment in all sectors, including agriculture, construction, service and manufacturing, gradually increased between 1982 and 1990. Over the next four years employment in the agricultural sector drastically dropped. The ex-farm labourers involved in this employment shift were mainly drawn into the construction, service and manufacturing sectors. The changes in employment structure also had significant gender implications. Table 2.4 shows that male employment in the construction sector increased considerably during the boom, from 856,000 in 1990 to 2,066,000 in 1994. Women's employment levels in the service and manufacturing sectors rose in a similar manner. In the service sector, female employment increased by 64% between 1990-1994 whilst male employment in the sector rose by 26% over the same period. Female employment in the manufacturing sector escalated by approximately 42% over the same period.

Figure 2.6: Employment in selected industries (1982-1994)



Source: LFS, NSO, 1999

Table 2.4: Employment in selected industries classified by sex (1982-1994)

Unit: thousand persons

Industry	1982		1986		1990		1994	
	Male	Female	Male	Female	Male	Female	Male	Female
Agriculture	7,013	6,281	9,423	8,392	10,380	9,345	9,525	5,874
Manufacturing	1,239	967	1,138	931	1,569	1,563	1,968	2,561
Construction	530	93	507	83	856	170	2065	229
Service	1,327	1,127	1,406	1,325	1,475	1,589	1,651	2,252

Source: LFS, NSO, 1999

Despite the high female participation in the labour force, the Thai employment market is highly gendered, both horizontally and vertically, as an extensive study by the Gender Development Research Institute (GDRI) of the labour market has confirmed. Thai female workers are mostly concentrated in the agricultural, low skilled manufacturing, service and tourism sectors and typically at a low level on the career path. Men on the other hand occupy the vast majority of managerial positions, carrying out professional work, or else physically demanding jobs. Even in the supposedly gender-neutral sectors, such as the government service sector, gender inequality can be found. The Asian Development Bank (ADB) (1998) reveals that although women outnumber men in public sector employment (51.88:48.12), no woman is working at the top managerial level. Women outnumber men on the lowest three levels of the career path, in which there are 11 salary scales, as shown in Table 2.5.

Table 2.5: Civil servants by level and sex, 1990

Level	Female number	%	Male number	%	Total
11	0	0	25	100	25
10	18	6.16	274	93.84	292
9	45	10.92	367	89.08	412
8	496	20.33	1,938	79.67	2,420
7	2,484	27.86	6,433	72.14	8,914
6	8,488	36.81	14,573	63.19	23,061
5	24,781	44.51	30,889	55.49	55,670
4	30,024	49.42	30,729	50.58	60,753
3	56,098	59.75	37,784	40.25	93,882
2	22,441	59.17	15,486	40.83	37,927
1	12,797	62.20	7,776	37.40	20,573
Total	157,668	51.88	146,264	48.12	303,932

Source: Office of the Civil Service Commission in ADB, 1998

Conclusion

This chapter describes the context of Thai socio-economic development. The country has been described as having a rich base of natural resources and a favourable geographical setting, which created a strong foundation for agricultural development. Although Thai development was initially built on the basis of agricultural production, the trends of this development have been dynamic. With the assistance from the WB, Thailand adopted the westernised ideology of development in the 1950s which focused on wealth accumulation and economic growth. Throughout five decades of Thai socio-economic development eight socio-development plans, as well as other external and internal turbulences, determined the various strategies that the country adopted in targeting an ultimate goal of economic growth and stability. These policies generated a new vulnerability context for Thai people. The construction of dams, electricity plants, roads as well as many other infrastructures was argued to support production. Moreover, emerging economic activities also generated new work opportunities and incomes for Thais. However, many concerns were raised with regards to the costs that Thais have had to pay. This includes the depletion and degradation of natural resources following over exploitation for modernised development and the exploitation of certain groups of people such as those in rural areas and particularly women.

Although the chapter has put much emphasis on the importance of the economic development plan in affecting livelihoods, the cultural aspects of Thai society also play an important role in how people react to circumstances. For example, the clearly defined Sakdina system which originated some 400 years ago has been transformed into a very pervasive 'patron-client' system in modern Thai society. Apart from that, other forms of behaviour are, to a certain degree, determined by the social orders and expectations. This includes the social construction of the intergenerational relationship, the relationship between parents and offspring and even the patterns of marriage.

In short, this chapter has provided a background for the study to follow, focusing particularly on the socio-economic development trends up to the pre-crisis period in 1997. This national level context provides a basis for the construction of Thai livelihoods and hence livelihood outcomes. Also, an appreciation of the relevant historical background and development trends provides a context for understanding the subsequent shocks and government responses which will be presented in the following chapter.

CHAPTER 3

The shock: The economic crisis, Economic Structural Adjustment Programmes and their wider impacts

Introduction

This chapter explores the features of the economic shock that occurred in 1997 and the various impacts it had on the Thai people. Based on available data and archive literature, this chapter covers four main areas. Firstly, it discusses the recent economic shocks, giving an overview of the crisis situation and offering the two main explanations for the cause of the crisis, as argued by various authors. It should be remarked here that there is no intention to enter into the debate on the exact causes of the crisis. I am aware that the issue is highly complex and deserves more detailed discussion than is appropriate to this study. Secondly, the chapter discusses the subsequent ESAPs that were adopted by the government in response to the crisis. Thirdly, the chapter maps out the macro and micro linkages of the shock and its impact, treating the crisis and the ESAPs as a combined shock. This has been undertaken in order to understand the mechanisms and the pathways by which the impacts are transmitted to the ground level. Fourthly, by applying the four channels framework, the chapter provides an analysis of the impacts of the economic shocks on changes in employment, income, expenditure and health, as well as education conditions. The data utilised in the section is derived from the body of secondary data available at the time. The overall aim of the chapter is to provide an important piece of the vulnerability context for the peri-urban and urban communities that will be the focus for the main study.

The economic crisis

After a long period of impressive growth rates throughout the end of the 1980s and early 1990s, the Thai economy encountered a serious economic crisis in 1997. The GDP growth rate drastically declined from an average annual rate of 8% between 1994 and 1996 to –

0.4% in 1997. All sectors of production slowed down or stagnated (BOT, 1997). The annual industrial production growth rate, for example, was only 0.2% in 1997 which is quoted as the lowest growth rate in the past decade. The industrial production actually experienced negative growth for the latter half of 1997. The BOT suggested that the important factor contributing to the decline in industrial production was the liquidity problems of the entrepreneurs and to a certain degree a decline in competitiveness. This loss in competitiveness is believed to be a result of newly emerging markets such as China, for which the Yuan was devalued by approximately 50% in 1994 (Nixson and Walters, 1999). Also, the devaluation of the Mexican peso in 1994, the push for the passage of the North American Free Trade Agreement and the appreciation of the US dollar after mid-1995 may also have contributed. However, this appreciation of the US dollar, especially against the Japanese yen, may have had a limited impact on Thailand as the Thai baht was pegged with five key currencies in the basket formula including the yen, mark, swiss franc, US dollar and pound sterling. The loss of competitiveness also stemmed from an increase in wages in Thailand compared to other emerging countries such as China and Cambodia.

As well as industrial production, the service sector also showed signs of slowdown, reflected in an annual service growth rate of 2.0% in 1997 compared to 6.1% in the previous year. This, as explained by the BOT, was the knock-on effect of the slowdown in other economic sectors and the cutbacks in private and public spending in the latter half of 1997.

Apart from a decline in GDP growth, Thailand was also faced with trade account, current account and Balance of Payment (BOP) deficits. The BOP was negative for the first time in 1997, dropping to -10.6% of GDP, after a positive BOP of 7.2 and 2.2% in 1995 and 1996 respectively. This can be explained by the reduction in export volume and value in 1996 and 1997 and an increase in the import value reflected in the current account deficits of -7.9 % in 1995 and 1996 and -4.0 % in 1997.

The international reserves were also depleted, dropping from 38.7 billion US dollars in 1996 to 27.0 billion US dollars in 1997. This depletion occurred when the BOT tried to defend the value of the Thai baht, which at the time was linked to the five key currencies aforementioned, but was under a series of currency attacks. These negative economic indicators, especially the depletion of the international reserves following the attacks on the home currency raised serious concerns and shook the confidence of foreign investors.

This loss of confidence for investors was translated into a rapid withdrawal of the most freely mobile foreign investment, particularly short-term capital (Radelet and Sachs 1999, and Jansen, 2001). Statistics show that the net capital movement dropped from 18.2 billion US dollars to -7.6 billion US dollars in 1996 and 1997 respectively. This massive outflow of foreign capital was a major problem in the real sectors, especially the over-inflated property market and other nonproductive markets, in which some short-term capital had been inappropriately used for financing long-term projects.

What caused the crisis in Thailand and when it was really triggered still remain topics for debate amongst economists. With regard to timing, the date commonly associated with the start of the crisis in Thailand is the 2nd of July 1997, the day on which the Thai authority changed the exchange rate regime from the basket fixed rate to a managed float. However, many have argued that the seeds of crisis were sown long before that. The IMF, for example, expressed concern with the structural problems in the financial market (to be discussed), in a letter of memorandum addressed to the governor of the BOT in early 1997. Krugman (1998) has also indicated a concern of the possible financial crisis in Thailand and Asia prior to the actual event arguing that Asian economy was not as strong as it was perceived on the surface. However, the concerns were not acted upon when good economic conditions appeared to be sustained, with a high GDP growth of approximately 8% per annum, a steady inflation of approximately 5% and a government budget surplus. The IMF themselves believed that although there were problems in the financial sector, they would not develop into a full-blown crisis (Corsetti et.al., 1998). In this thesis, I will use the 2nd of July, 1997 as a mark for the start of the shock as it was officially accepted by the government at the time that the economy was facing turbulence and the floatation of the baht was the response plan initiated on that day.

It is generally accepted that the crisis in Thailand and perhaps elsewhere in Asia started from the financial sectors and unfolded into the real sectors linking up with the financial market (Nixson and Walters, 1999). Many, such as Sachs (1998), argued that the crisis was triggered by the massive withdrawal and the attack on the Thai baht. It was also stated that the crisis in Thailand was not like the crisis that occurred previously in the 1980s or that which occurred in Mexico in the 1990s as it originated in the private sector not the public one (Stiglitz, 1998, 2001). That is to say that the crisis in Thailand cannot be easily

explained by either the first or second generation models of the conventional currency crisis.

The first generation model of Krugman (1979) and Flood and Garber (1984) assumed that the currency was originated by the persistence of fiscal balance deficit caused by over spending of a government in using a limited stock of reserves to peg its exchange rate. This policy was ultimately unsustainable and very likely that the investors would anticipate the inevitable collapse and would generate a speculative attack on the currency when reserves fell to some critical level. This explanation does not apply with the current crisis in Thailand as the kingdom did not have a persistence of the fiscal deficit. Moreover, the public debt was not excessive or engage in an irresponsible debt creation and inflation was pretty much under control.

The second generation model proposed by Obstfeld (1994, 1995) argued that the government did not necessarily have to defend the value of home currency. The government can in fact choose to or not to defend the pegged exchange rate. This decision, it was argued, was made based mainly on the tradeoff between short-run macroeconomic flexibility and longer-term credibility. The crisis, it was argued, stemmed from the fact that defending a parity could be more expensive (e.g., requires higher interest rates) if the market believes that defense would ultimately fail; as a result, a speculative attack on a currency can develop either as a result of a predicted future deterioration in fundamentals, or purely through self-fulfilling prophecy. This may explain many crisis event elsewhere but it does not apply with Thailand where the economy was doing relatively well. That is the macroeconomic performance was not an incentive for the Thai authority to abandon their exchange rate regime.

With regard to the cause of the current crisis in Thailand, there have been many different views and I have no intention to add to this debate. However, one thing that may need to be pointed out is that much discussion has been based on a SE Asian regional view, while there is a serious need for the crisis in each country to be carefully scrutinised at a local level as the domestic conditions can differ markedly.

Nixson and Walters (1999) gave a general classification of the explanations for the Asian crisis and divided arguments into two main camps. The first explanation draws attention to the structural problems and a fundamental weakness in Asian economies as the main

causes of the crisis. It is thus argued that the crisis in Asia was a homegrown phenomena that stemmed from policy distortion and the over intervention of the government in the economy. These arguments are often put forward by critics of the state-led development model, which they suggest led to 'over intervention by government' and 'crony capitalism'. The second explanation recognises the problems with the structure of the economy, and thus it is argued that the economy was generally sound but was under-regulated. Consequently, the international financial market is put forward as a main cause of the crisis. A fundamental weakness, it has been argued, was the usage of capital inflow to service the deficits in the trade and current account (Nixson and Walters, 1999) as well as to close the investment and saving gap (as cited in Chapter 2). However, as there was not sufficient regulation and supervision, most of the inflow capital was intended for short term usage and accounts for approximately 80 % of the total value of net private capital flows in five Asian countries. Most of this capital was unhedged and used for longer term domestic loan disbursement (ibid, 1999, page 503).

Some explanations can be offered for this influx of short-term capital. Firstly, as the baht was pegged to the five key currencies, the exchange rate was relatively constant and provided a relatively secure setting for foreign investors. Secondly, the interest rate in Thailand was competitive as the deficit was high and there was also high demand for investment capital. Thirdly, as Corsetti et al. (1998) argued, the government guaranteed external creditors against default. The free capital movement also ensured that the foreign capital could be moved out swiftly when demanded.

However, the problem with the capital inflow was not only a case of maturity mismatching as capital was also invested in profitable but speculative and nonproductive projects. This included investment in the property and stock markets, which were clearly experiencing a bubble. From Nixson and Walters (1999) point of view, the bubble economy was driven by misguided and too rapid liberalisation under pressure from the Washington institutions, but there were also inherent weaknesses in the economy due to the 'crony capitalism' and 'moral hazard'. Krugman (1998) has suggested that poorly supervised financial institutions and the roll over process of loan disbursement allowed credit to be provided into risky sectors. This process of loan roll over, it was argued, conceal the real weakness in Thai economy (Krugman, 1998). Larry Summers, the deputy secretary of the US treasury also shares this view and further argued that there is a close connection between 'bad' firms and

‘bad’ politics. This is probably true and is corroborated by an extensive qualitative study of corruption in Thailand by Sangsith and Pasuk (1999) in which it is stated that close ties exist between corrupt politicians and business persons. Hank (as cited in Sangsith and Pasuk, 1999) argued, and I agree, that the pervasive corruption in Thailand is rooted in the Thai culture of patron-client relationships previously discussed in Chapter 2. Hence, it is likely that poor regulations and supervision of capital inflow may be exploited, particularly for non-productive activities, or crony capitalism.

‘Moral hazard’, on the other hand, refers to the belief on the part of the investors, especially the western banks, that Thai banks and large financial intermediaries were effectively guaranteed by their governments though the official guarantee was never explicitly provided. It was presumed that money could be lent with essentially government rather than private risk. It was believed on the part of borrowers that they too would be protected from bad debt and the consequences. In Thailand, this belief was argued to lead to poor credit analyses by all parties, including foreign investors, Thai financial intermediaries as well as borrowers. This resulted in reckless and low efficiency investment (Wade, 1998).

Stanley Fischer (1998) also criticised the over extension of the pegged exchange rate period. This, he argued created and encouraged an excessive external borrowing as well as an over exposure of the financial sectors to foreign exchange risks: the structural problem in Thailand. The lax and imprudent rules and regulations not only caused a deterioration in the quality of the bank loans portfolio aforementioned but also distorted the financial market. As previously mentioned in Chapter 2, during the economic boom in the early 1990s, a problem of Non-Performing Loans was never revealed. This is not because the portfolio of the loans was good but because Thailand adopted the weakest BIS classification for the loans. Loans are classed as NPLs only if the interest rate or debt repayment has not been secured for more than 12 months. For this reason, the problem of the loans repayment was disguised and may have given misleading financial market signals. Corsetti et.al. (1998) argued that this disguising of quality of loan portfolios if exposed would have forced the government to carry the burden of repayment. This could consequently have led to this crisis being more similar to the previous crisis.

Jansen (2001) and Radelet and Sachs (1998) although accepting the foregoing claims, also argue that the crisis in Thailand was caused by a panic outflow of capital and was thus a

self-fulfilling crisis. It was argued that the crisis was not caused by the fundamental economic weaknesses. Jansen (2001) noted that investors in the financial market act largely upon market knowledge and confidence levels in speculative trade. What happened in Thailand was self-fulfilling in that the investors were speculating on a loss of confidence and profit and a deepening crisis. The panic withdrawal of foreign capital ensured that even more severe liquidity problems occurred. In this sense, it may be argued that although the economy is fundamentally strong, if one speculates on a loss of profit in the financial market, a sudden withdrawal of capital as swiftly as occurred in Thailand is plausible.

Stiglitz (1998) also noted that regardless of how fundamentally strong an economy is, there must remain skepticism with regard to the development of the ideal financial market. He argued that the government should view the financial liberalisation as a means to an end not as an end in itself. That is the liberalisation should come together with prudent regulation. Governments should act as facilitators in giving the right incentives to generate productive activities. This is because the country itself has to also speculate on the behaviour of those actors in the international financial markets. In short the explanation of the second camp is based around doubts regarding the pacing and sequencing of the financial liberalisation. Krugman (1999) for example, goes on to argue that there is a need for a new design for an international financial system.

The interesting homegrown argument which has not been addressed elsewhere comes from Ammar (1997a; 1997b; 2000) and Nualnoi (1999), among others. They place the blame of this crisis on the incompetence of Thai technocrats. It was argued that they were not only incapable of managing the macro economic policies concerning allocation of cheap loans but later were unable to detect the negative signals of the calamity. The three institutions responsible for this crisis, they spelled out, are the Bank of Thailand (BOT), the National Economic and Social Development Board (NESDB) and the Ministry of Finance (MOF). This claim makes a lot of sense, though if we accept what Summers argues on the close relationship of bad politics with bad firms and Sungsidh and Pasuk's corruption argument, then it is unlikely that good technocrats can work in such a polluted environment, especially under the pervasive patron-client relationship and the influential politicians.

So far I have outlined the debates, still ongoing, that surround the economic crisis in Thailand. As previously mentioned, my aim is to present a review of what happened in order to better understand the context in which the actors in the communities I studied are

located. The events that occurred in Thailand that are of major relevance to the subsequent studies are the collapse of the financial market and the bubble economic sectors, including the property and real estate sectors. This is because these shocks can transmit an immediate knock-on effect to other economic sectors as well as to people on the ground. The next section is a discussion of the ESAPs adopted by the government in response to the crisis.

The ESAPs in Thailand

In response to the crisis, the Thai government sought help from the IMF and the WB after the floatation of the Thai baht on the 2nd of July 1997. The Stand-By Arrangement involving a total amount of 2.9 billion Special Drawing Rights (SDRs) or approximately 505% of the quota was approved by the Executive Board of the IMF on 20 August 1997 (MOF, 1997a). The first Letter of Intent (LOI) detailing conditions on the proposed loans, was co-signed by the MOF and the Governor of the BOT on 14th August 1997 (MOF, 1997a). To date, there have been eight LOIs with three special measures, as summarised in Table 3.1.

Table 3.1: Letters of Intent and special macro economic policies (1997-1999)

Letters of Intent/ special measures	Date
Floating of Thai bath	2 July 1997
First letter of intent (\$6.103 billion)	14 August 1997
Second letter of intent (\$3.211 billion)	25 November 1997
Third letter of intent (\$0.968 billion)	24 February 1998
Fourth letter of intent	26 May 1998
Special measure (financial restructuring)	14 August 1998
Fifth letter of intent	25 August 1998
Sixth letter of intent	1 December 1998
Seventh letter of intent	23 March 1999
Stimulus package	30 March 1999
Special measure (encourage private investment)	10 August 1999
Eighth letter of intent	21 September 1999

Source: MOF, 1997a; 1997b; 1998a; 1998b; 1998c; 1998d; 1999a; 1999b

The recent ESAPs addressed the assumed structural causes of the financial difficulties, instigating a restructuring of the financial sector in order to restore confidence in the financial market and Thai economy. The ultimate goal of the ESAPs was to lay a sound foundation for economic growth with efficiency and sustainability (MOF, 1997a; 1997b).

The ESAPs were planned to be implemented in 34 months. Unlike the first ESAPs implemented in the early 1980s, the most recent set of ESAPs can be separated into 3 phases of (a) stabilisation (b) stimulation and (c) structural adjustment.

The stabilisation period (2 July 1997- May 1999)

At this time, the priority of the ESAPs was to stabilise the currency and the financial system (MOF, 2000). As the crisis started in the financial sector, the policies and measures under the ESAPs were highly focused on “restructuring the financial sector” in order to regain public confidence. It was believed that a restoration of confidence would bring capital inflow to fill the BOP gap. In order to achieve this goal many measures were employed including a forced closure of forty-two finance companies with liquidity problems who could not meet the new government capital requirements.

In addition to the financial restructuring measures, monetary policies were also adjusted. The monetary policies employed at the beginning of the programmes were aimed at controlling domestic demand, money supply and stabilising the new exchange rate. These measures included a close monitoring of capital movement, a high interest rate, credit squeeze and the foreign exchange market intervention in cases of fluctuation (MOF, 1997b).

Tight fiscal policies were also used as part of the stabilisation programmes. In the first year of the ESAPs (fiscal year 1997/8), the Thai government instigated a government budget deficit of 1.0% of GDP. To do so, the government increased income and cut expenditure. To improve revenue the government increased VAT from 7 to 10%. Due to concerns over the possible negative impacts, the Government reduced income tax from 30 to 25%. Import tax for selected items was also temporarily increased, including luxury products such as cigarettes, alcohol and perfume. These increases in import tax were later abolished in 2000 by the Thai government to comply with the agreements signed with the World Trade Organization (WTO).

To reduce expenditure, the government’s total budget was cut by 923 billion baht in the fiscal year 1997/8, though the government publicised its intention to maintain levels of expenditure on important sectors such as education, health and essential infrastructure projects. The government also froze wages in the public sector for temporary workers. An early retirement scheme was introduced to try and reduce the work force. Recruitment of

permanent public workers was also frozen. Instead, there was increased recruitment of temporary staff in the public sector, who were not eligible for the same fringe benefits as permanent workers. In addition, the government stopped subsidising state-owned enterprises. Without these subsidies, state-owned services were forced to increase their prices to a level that reflected real costs. However, it should be noted that subsidies were continued on basic services such as the lowest class public transport (e.g. 3rd class train travel).

The stimulation period (May 1999 - 2000)

The stimulation packages were not originally included within the ESAPs. They were added when the economic problems did not subside as initially expected (MOF, 2000), possibly due to over tight policies being put abruptly in place and thus creating further liquidity problems within the economy. During the stimulation phase, there were two main measures launched by the Thai government. These were termed the Economic Stimulus Package (ESP) and the Measure to Encourage Private Investment (MEPI), as now discussed.

The ESP was launched on 30th March 1999 in response to poor macro-economic performance during the first 19 months of the ESAPs implementation. The GDP contracted by 10% in 1998 as a result of the combined currency and financial crisis and the strict monetary and fiscal policies. Many businesses faced severe liquidity problems as a consequence of the sharp decline in domestic demand, increase in debt repayment obligations caused by changes in exchange rate value and credit squeeze. The real income of workers also dropped as a result of a decrease in private nominal income, salary freezes, cuts in subsidies for state-owned enterprises and the knock on effects of the devaluation of the Thai baht. To mitigate these negative impacts on people and businesses, the ESP was launched to ensure that domestic liquidity was maintained. In addition, the package also aimed at increasing employment, alleviating the impact of the crisis on the poor, stimulating private consumption and investment and reducing the cost of living (MOF, 1999b). The three main measures employed were expenditure measures⁵, tax reduction⁶

⁵ Expenditure measures mainly involved temporary job creation under a "Miyazawa" plan. This aims to alleviate social impact on the vulnerable groups in urban and rural areas (BOT, 1999).

and measures to lower energy prices⁷. These measures were financed by international funding, including the Overseas Economic Cooperation Fund (OECF) (250 million US dollars), Japanese Export-Import (EXIM) Bank (600 million US\$) and the WB (600 million US\$).

The MEPI, on the other hand, was aimed at promoting economic recovery, supporting the economic restructuring process and enhancing the long-term competitiveness of the private sector (BOT, 1999). The programme comprised four measures involving (i) tax and tariff changes⁸, (ii) an equity investment measure⁹, (iii) assisting the recovery of the real estate sector¹⁰ and (iv) improving financing for small and medium enterprises¹¹ (SMEs).

Apart from the two stimulus packages aforementioned, the Social Sector Policies (SSP) were also launched in an attempt to cushion social impacts on the poor. The measures implemented can be classified into four main areas of (i) employment generating projects (ii) support for the unemployed (iii) health and education and (iv) price subsidies.

The employment generating projects were used to create temporary employment (involving civic work in construction) and infrastructure rehabilitation for rural communities and municipalities. Programmes in the rural areas were set up also to promote the expansion of rural industrial employment (Lane et.al., 1999). On the other hand, redundancy regulations also changed so that to dismiss employees with more than 10

⁶ Tax reductions were aimed at increasing the disposable money in the economy. This is implemented through the exemption of the personal income tax on the first 50,000 Baht and the temporary reduction of VAT from 10 to 7% (BOT, 1999).

⁷ The energy prices reduction measures were aimed at encouraging investment in the real sector. The cost of electricity production, which was pushed to customers at the beginning of the ESAPs, was partly borne by the government (BOT, 1999).

⁸ Tax and tariff measures included a temporary tax exemption on imported inputs and machinery. This measure was implemented only temporarily because of trade obligations with the WTO and other international organisation such as AFTA (BOT, 1999).

⁹ Equity investment measures were aimed at improving liquidity of existing and new businesses. The measures included debt restructuring and the government provision of equity investment (BOT, 1999).

¹⁰ To boost the deteriorating real estate sector, the government amended Land Code (No.8) B.E. 2542 and the Condominium Act (No.3) B.E.2542 so that the foreigners could buy and own land in the Kingdom. Moreover, the government also channelled cheap loans to new homeowners through the Government Housing Bank. These measures were believed to boost activity in the real estate sector (1999).

¹¹ A credit of 35 billion Baht was arranged to support the SMEs through specialised financial institutions and the BOT. Moreover, a special government advisory bureau was set up to give assistance to new SMEs (BOT, 1999).

years of service, the employer was obliged to pay 10 months salary in severance pay. The assistance fund was set up to provide cash support for laid-off workers. Benefits from the limited social security system (medical, disability and death) for unemployed persons were also extended for up to 12 months. The government also established training programmes and job placement facilities for the unemployed (*ibid*, 1999).

To help the rural poor maintain access to the health care services, the government expanded the community-based health care projects. The public health insurance scheme for low income groups was also improved and strengthened. As for education, scholarship and loan programmes were established to help students and parents during the time of the crisis (*ibid*, 1999). The subsidy measures were mainly used in the transportation sector e.g. for reducing the cost of third class train fares and non-air-conditioned bus services.

The structural adjustment (2 July 1997-January 2001)

Apart from restructuring of the financial sector, less radical adjustments were made in the real sector. These were aimed at improving efficiency and production in tradable sectors such as agriculture, manufacturing and tourism. Measures to support the agricultural sector were mediated through the existing government body of the Bank of Agriculture and Agricultural Cooperatives (BAAC). During the structural adjustment period, the BAAC provided loans and technical know-how as well as marketing advice for farmers (MOF, 2000). In the manufacturing sector, tax and non-tax privileges under the Board of Investment (BOI) were once again applied, although these measures were little different to policies already in place. To boost the tourism sector, the Tourist Authority of Thailand (TAT) launched the 'Amazing Thailand' publicity campaign in 1998, designed to attract foreign tourists and income.

Privatisation policies were also introduced during the structural adjustment period. Many state-owned enterprises were privatised with the aim of enhancing efficiency. The Thai government also established a privatisation secretariat on the 30th June 1998 under the assistance of the WB. The secretariat was set up to draft legislative reform that incorporated a new Corporatisation Law to expedite the process and develop a regulatory framework. The privatisation programmes involved all service sectors, including transportation, energy, oil and telecommunications (BOT, 1999). The main pilot organisations that were first privatised included Thai Airways International Public

Company Limited, the Electricity Generating Authority of Thailand (EGAT), the Bangchak Petroleum Company, the Petroleum Authority of Thailand, the Telephone Organisation of Thailand (TOT) and The Communication Authority of Thailand (CAT).

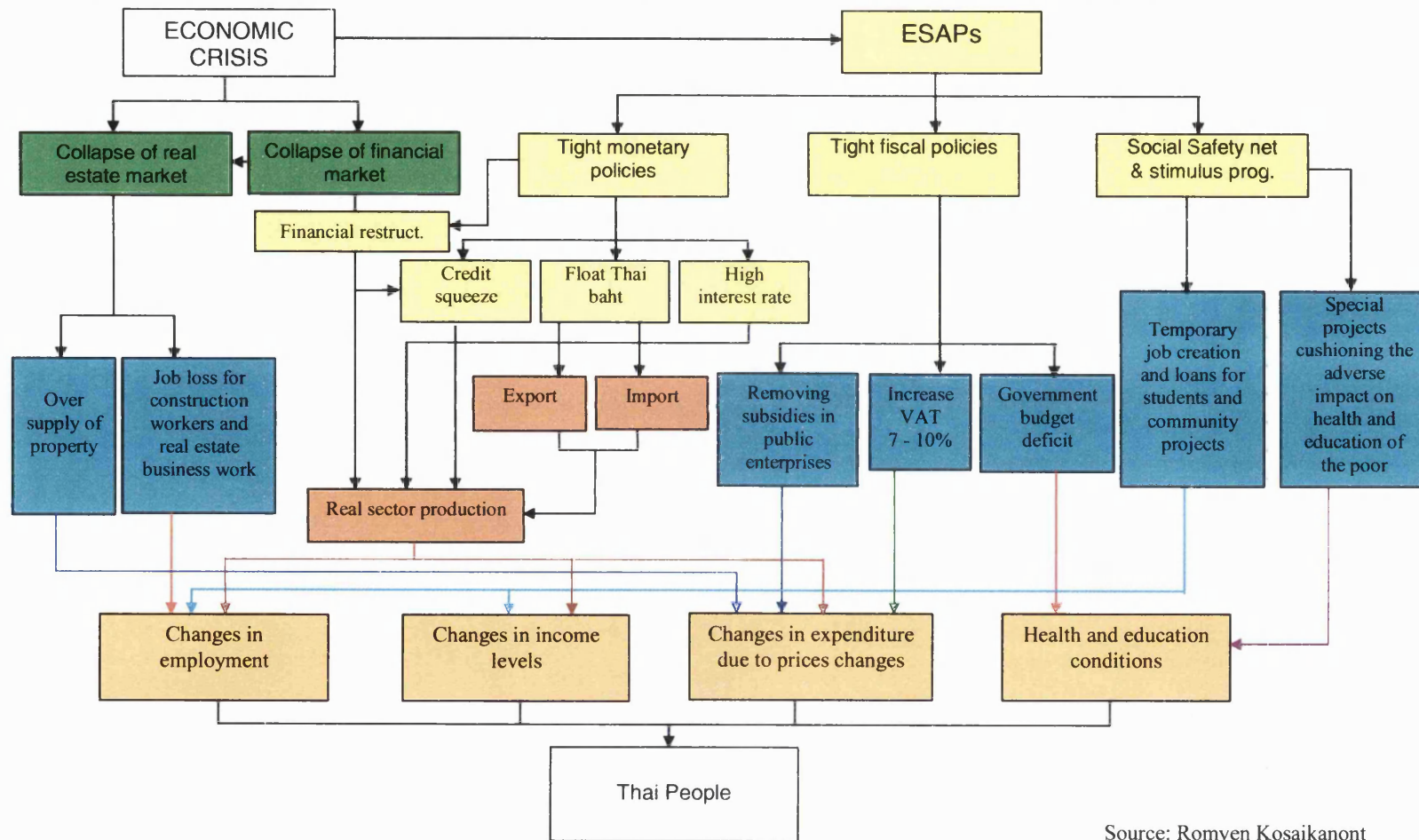
The linkage of macro shocks and micro impact

Figure 3.1 maps out the macro and micro linkage of the shocks and its potential impacts on individuals and their households, based on the context of the 1997-1999 period. The figure indicates the changes in economic conditions due to the crisis and the main features of the ESAPs in Thailand. These were tight fiscal policies, tight monetary policies, privatisation, financial restructuring and social safety net and stimulus programmes. It should be remarked that although the privatisation policies were mentioned in the LOI, they were a long term objective in Thai development. To date, there has been very limited progress with regard to the privatisation process, and so consequently it is not a significant feature in this study.

According to the figure, the economic crisis in Thailand was initiated by capital outflow, which had a direct impact on the financial sector. Sixteen and fifty-eight finance companies were suspended in May and July of 1997 respectively and all except two were eventually closed down in December 1997 because of poor financial viability. The property sector, which was overheated, oversupplied and dependent on loans from the financial institutions, was unavoidably affected. The twin collapse of the financial sector and property market created massive job losses for businessmen, financial workers and construction workers alike. The job loss also meant a loss of income by workers and possibly their households.

The home currency was highly overvalued at the outburst of the crisis. The contributing factors include the serial attacks on the Thai baht in late 1996 and early 1997 and a loss of confidence of foreign direct investors causing a capital flight. In mid 1997, the Thai government changed the exchange rate regime in order to restore a realistic value to the home currency as well as to build the confidence of foreign investors. Subsequent to the devaluation, the Thai Baht depreciated by approximately 50% in the period of six months under the new managed float regime (Pasuk and Baker, 2000). Moreover, the Thai government sought economic assistance from the IMF and the WB.

Figure 3.1: The research framework: social impact pathways for the economic crisis and the ESAPs



Source: Romyen Kosaikanont

Tight monetary policies of fixed high interest rates and credit squeeze were also implemented under the ESAPs. These policies were used to stabilise new exchange rates as well as control the inflation rate. These policies, together with the collapse of the financial institutions, drastically slowed production in the real economy. The devaluation of the Thai baht also affected the demand for production. Sauwalak (1999; 2000a; 2000b) pointed out that the majority of tradable production in Thailand has a high import content. The slowdown in production, due to the higher cost of production, and the liquidity problem generated effects that included changes in employment and income levels and product prices.

Tight fiscal policies, on the other hand, included a cut in the government expenditure, an increase in VAT from 7 to 10%, the adjusting of the income tax base, an increase in import duty, the removal of subsidies in main public enterprises, including electricity production, and removal of petrol tax subsidies. Regarding the effects of these policies, Joeke (1991) claimed that adjustments in tax collection have differentiated impacts on men and women due to their specific gender roles. Women tend to be more negatively affected by an increase in indirect tax such as VAT, and the removal of subsidies due to the fact that women hold prime responsibility for household welfare. Both men and working women, on the other hand, are likely to be adversely affected by an increase in income tax.

A reduction in government budget, as Cornia et al. (1989), Corner (1996), Mayatech Corporation (1991) and Elson (1991d; 1991e) claim, affects health and education conditions for the general public. Research concerning the ESAPs' impact on health and education in Africa, Caribbean, and South Asia (Whitehead, 1981; Safa and Antrobus, 1992; Stewart, 1992; Afshar and Dennis, 1992a, 1992b, 1992c) suggests that not everybody in the household is affected by changes in government social expenditure in the same way. Stewart (1992), for example, found that women and children were the group worst affected. Whitehead (1981) further claimed that women in Africa often sacrificed their needs and welfare in order to maintain the level of welfare of their male counterparts and children. The impact of a reduction in government budget also has a potential class differentiation. This is because the wealthier classes are likely to be affected less as they are less dependent on government services. Evidently, the immediate effects of tight fiscal policies at ground level will have included changes in prices, health and education conditions.

The financial restructuring, in attempting to strengthen the financial institutions, introduced stricter loan classification and loan disbursement. The financial companies were also asked to recapitalise their assets to meet new stricter capital requirements. For the financial institutions, a higher reserve capital was required to prevent the loss of loans. This stricter classification meant that loan disbursement became increasingly restrained. However, the impact of the financial restructuring programmes directly affected only those groups of consumers or producers who were dependent on the formal credit institutions. In particular, the repercussions of a high fixed interest rate and credit squeeze included a high risk of liquidity problems for businesses. Arguably, this also created knock-on effects for workers employed by those businesses.

To prevent possible adverse social impacts, the Thai government tactic was to implement social safety net programmes aimed at creating temporary jobs, protecting vulnerable groups and maintaining the free health care schemes in rural areas (LOI I and IV, 1997, 1998). Job creation programmes under 'Miyazawa' and 'Social Investment Programmes' (SIPs) may have generated temporary work for some people. Loans for the community development projects through the Social Investment Fund (SIF) and under SIPs may also have helped to generate income and cushion the adverse impact on people on the ground. Loans for students were provided to help keep children in education. Moreover, the special projects such as free health care schemes for persons on low income, children, and the elderly were maintained. All these programmes were aimed at cushioning the social impacts of the economic shocks.

In summary, the impact of the economic crisis and the ESAPs are channelled from macro levels through the market instruments (i.e. the restructuring of the financial market, the reclassification of loans, the tight monetary policies) and the government service provision system (a case of the changes in government budget and its composition) to people on the ground. As shown in Fig. 3.1, individuals and households can be affected in four key areas of (a) changes in employment, (b) changes in income level, (c) changes in expenditure due to changes in prices and (d) changes in health and education conditions. This thesis focuses on these four main channels in assessing the differentiated impacts of the economic crisis and the ESAPs in the urban and rural community field sites.

The impact of the economic crisis and the ESAPs in Thailand

Four years after the worst economic crisis since the Great Depression and two years after the last ESAPs loan was withdrawn, published literature assessing the impact of the crisis and the ESAPs has started to emerge¹². Just as they did after the first ESAPs were implemented in 1982, the Thai government, the WB and the IMF have tried to prove that their economic programmes have been successful. The majority of literature points to the conclusion, based on conventional macro economic indicators, that the Thai economy is on the road to recovery. The MOF, for example, stated in a report published in February 2001 that

"Three years after the Chuan Government II has come into power, the Thai economy has not only recovered from the worst economic crisis in history but recovered with stability. The Thai economy has developed far from the lowest point during the crisis but still faces many problems in restoring the Thai economy to a normal situation." (translated by the author from MOF, 2001 page 7).

The IMF (2000) also shared this view of prospective improvements in the Thai economy: as Stanley Fischer, First Deputy Managing Director stated:

"Executive Directors commended the Thai authorities on the considerable achievements they have made under the Fund-supported program. The objectives of the program have by now been met to a considerable extent, as recovery is underway.....Indeed, the recovery has turned out to be impressive; output growth this year is set once again to exceed four percent, exports are growing rapidly, the balance of payments position remains strong, and inflation is well under control" (IMF, 2000, page 1).

The WB (1999a) also stated in their special edition of the Thailand Economic Monitor, that

"Economic prospects have improved. Recovery has been helped by fiscal stimulus, growing exports in line with the regional recovery, and the rebound in the manufacturing sector. Real GDP is now projected to grow by 3-4 percent in 1999." (WB, 1999a, page 2).

¹² Thai government organisations such as BOT, MOF, NESDB were responsible for monitoring the economic performance during programme implementation. MOF (2001) published a comprehensive assessment of the ESAPs. MOPH undertook a series of impact assessments on health conditions. The results were made public in various papers including those of Damrong, et al (1999, 2000). NSO carried out a quarterly Labour Force Survey (LFS) and monitored the impact of the crisis on employment. The funding organisations such as the WB (1999a, 1999b, 2000), IMF (1999) ADB (1999), UN (1999a, 1999b) also conducted some evaluation of the impact of their programmes. Independent organisations such as Arom Pongpagnan and Friends of Women conducted independent studies of the impact of economic changes on specific issues such as employment.

Analysing the time-series macro economic data before and after the crisis¹³, one would tend to agree with the mounting literature from policy makers and funding organisations that the economy is recovering. The real sector¹⁴ GDP growth rate improved from a low of –10.5% in 1998 to 4.4% in 1999, which is slightly lower than the GDP growth rate before the crisis, as shown in Table 3.2. During the crisis, the GDP in the agricultural sector was less negatively affected than the non-agricultural sector. GDP growth rate in the agricultural sector reached a low point of –1.5% in 1998 whilst the GDP growth of the non-agricultural sector fell to –11.6% in the same year. The worst affected sector was construction, for which the GDP growth was –26 and –39% in 1997 and 1998 respectively. The growth rate in all sectors except construction has been positive from 2000 onwards, which most authors interpret as a sign of economic recovery (MOF, 2001; ADB, 1999; WB, 2001; Stiglitz, 2001; Bangkok Post, 1999).

Table 3.2: Gross Domestic Product at constant 1988 price (growth)¹⁵

GDP growth (percent)	1995	1996	1997	1998	1999	2000	2001
Real sector	9.2	5.9	-1.4	-10.5	4.4	4.6	1.8
<i>Agriculture</i>	3.5	4.1	-0.9	-1.5	2.0	4.9	1.6
<i>Non-agriculture</i>	10.0	6.1	-1.4	-11.6	4.7	4.6	1.8
<i>Construction</i>	6.7	7.0	-26.4	-39.0	-5.4	-5.0	-6.0

Source: BOT undated

There were various factors contributing to the diminishing GDP growth at the beginning of the crisis. Firstly, the twin collapse of the financial and property markets resulted in a severe contraction in the economy. Secondly, it is believed that the tight monetary policy measures, including strict prudential regulation of loan disbursement and high interest rates, slowed investment in the real sector. Fixed investment trends, as shown in Table 3.3, are in close correspondence with this claim, with figures of 3.1, -8.6 and -13.2% in 1996, 1997

¹³ The crisis date is designated as 2 July 1997, the date that Thai government officially changed the exchange rate regime from a fixed to managed float.

¹⁴ Real sector refers to the employment sector in which there is production of goods and services through combined utilisation of raw materials and other inputs such as labour, land and capital or by means of production processes.

¹⁵ GDP growth is calculated from the annual GDP at constant price compared with the previous year.

and 1998 respectively. It is evident that the reduction in private investment was more significant than the decline in public investment. Private investment declined by almost 10% during 1997, compared to just under a 1% decrease in public investment over the same period of time. Thirdly, the reduction in consumption in both private and public sectors also contributed to the decline in GDP. Overall, consumption declined and reached a low in 1998 (-7.7 %). It then started to pick up in 1999, first in the public sector, as the government injected extra money through the social safety net programmes implemented as part of the ESAPs (WB, 1999a; 1999b; MOF, 2001). To a certain degree, the extra government spending created employment and boosted private consumption (MOF, 2001; ADB, 1999). Fourthly, net foreign trade¹⁶ is another component of GDP. Although net exports appear to be positive during the crisis period, this is not due to an increase in export value or volume. In fact, the export value was down slightly by 0.4% in 1997. The positive net exports can be explained by a drastic decrease in import value of 8.5% over 1997/8 due to a combination of the effects of devaluation and the increase in import tax.

Table 3.3 Contributions to GDP in %

Contributions to growth	1995*	1996*	1997	1998	1999	2000
Consumption	4.6	4.7	-0.7	-7.7	3.5	3.8
- private	4.2	3.7	-0.4	-7.8	2.7	3.5
- public	0.4	0.9	-0.3	0.1	0.8	0.3
Fixed investment	4.5	3.1	-8.7	-13.2	0.3	1.1
- private	3.4	1.1	-9.6	-10.2	-0.1	1.0
- public	1.1	2.0	0.9	-3.0	0.4	0.1
Net foreign trade	-2.6	-2.3	9.2	14.7	-2.9	-0.5

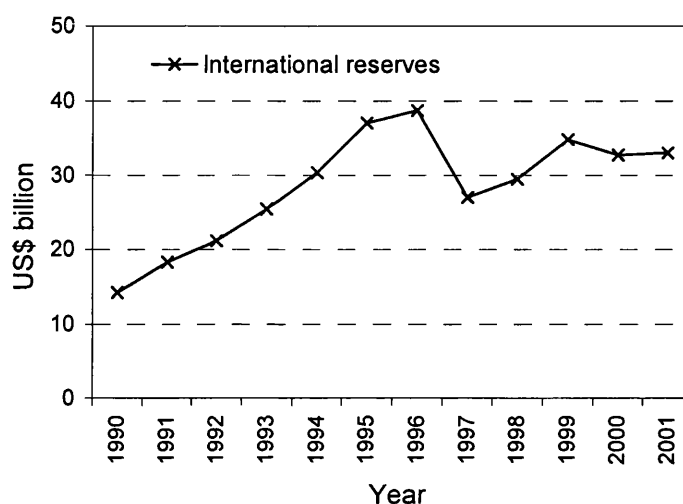
Source: IMF, 2000, *growth: NESDB, 2000

On monetary grounds, the financial status of Thailand has seen a sudden and severe depletion of the international reserves. Figure 3.2 reveals that the international reserves drastically declined from the beginning of 1996, from 38.7 to 27 billion US\$ in late 1997. The situation improved after the IMF and the WB provided conditional loans. The associated conditions included a change to the exchange regime and the abolishment of home currency defending strategies. These are believed to be main factors contributing to an improvement in the international reserves position. As can be observed in Fig. 3.2, the

¹⁶ Net foreign trade is calculated from the difference between export and import values of goods and services and takes into account the effect of changes in volumes and changes in prices.

reserves have been gradually rebuilt from the low point in 1997 to 35 billion US\$ when the last credit was withdrawn in September 1999.

Figure 3.2: International reserves 1990-2001 (Billion US dollars)

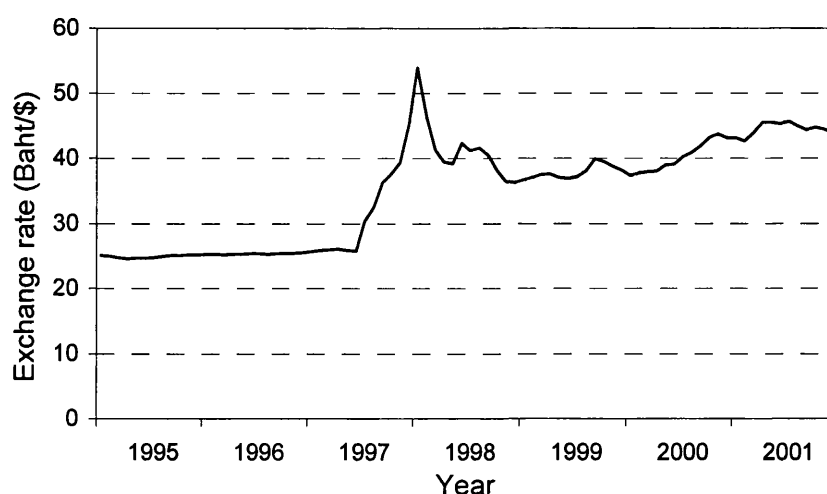


Source: BOT, 2002

Changes made to the exchange rate regime, which was under extreme pressure following the currency attack¹⁷, resulted in a massive depreciation. The value of the Thai baht reduced from 25 to 53.8 baht/US\$ over a period of six months following the floatation of the Thai baht, as seen in Fig. 3.3. This severe drop occurred regardless of the aforementioned tight monetary policies. It is generally claimed that the continuing devaluation stemmed from a lack of confidence of foreign investors owing to the collapse of the financial sector. The exchange rate started to stabilise in early 1998 at a level of approximately 40 baht/US\$.

¹⁷ This high pressure on the home currency was created by a series of currency attacks and the government defending strategies aiming at directly intervening in the exchange market. As a result, the home currency before the change of the exchange rate regime was highly overvalued.

Figure 3.3: Exchange rate (baht/US\$) January 1995 – December 2001



Source: BOT, 2002

Although the BOT implemented a high interest rate at the beginning of the ESAPs, aimed towards stabilising the new exchange rate, restoring market confidence and attracting foreign capital, various macro economic indicators did not show the immediate positive results that were initially anticipated. The IMF and the Thai government stated that the condition of the economy had fallen lower than generally expected (IMF, 1998; LOI 4). Table 3.4 shows the continual deficit in net capital movement¹⁸ since the crisis, the value of which dropped to –15.5 billion US\$ in 1998, though the movement has improved thereafter. The BOP, on the other hand, reached a low of –10.6% of GDP in 1997.

Table 3.4: Interest rate, net capital movement and balance of payments (1995-2001)

Indicator	1995	1996	1997	1998	1999	2000	2001
Interest rate (% year end)	13.75	13.25	15.25	12.00	8.50	8.25	7.50
Net capital movement (billion US)	20.8	18.2	-7.6	-15.5	-13.5	-9.8	-4.1
Balance of payments (% of GDP)	7.2	2.2	-10.6	1.7	4.6	-1.6	1.3

Source: BOT, 2002

The improvement in the net capital movement can be directly attributed to the improvement in economic conditions. A relatively stable economy since mid-1998,

¹⁸ Net capital movement is calculated from capital inflow less capital outflow.

reflected in a less fluctuating foreign exchange rate, helped to restore the confidence of foreign investors.

The BOP deficit also improved due to a combination of factors. The adjustment loans from the IMF directly helped with the BOP position, while prudent macro economic policies, including a sharp increase in import tax and duties helped to reduce the demand for imports. Moreover, the devaluation of the Thai baht should have created a comparative price advantage for export products. However, in reality, this price advantage did not materialise uniformly (BOT, 1999) when the crisis spread to Thailand's export competitors¹⁹. The general depreciation of domestic currencies in other Asian countries meant that Thai exports had little price advantage over common export products. Though the positive effects of devaluation are limited, the reduction in the interest rate in late 1998 and early 1999 is considered as a factor contributing to the boost in production of tradable products.

The overall picture presented by the macro economic indicators, conventionally used by economists and macro economic policy makers for evaluating the ESAPs, shows the Thai economy on the road of recovery. As previously explained, the exchange rate, which was highly depreciated at the beginning of the policy shift, started to stabilise in the early 1998 owing to tight fiscal policies, which included high interest rates and tight loan disbursement regulations. Once the exchange rate was stabilised, the interest rate was lowered to boost investment in both private and public sectors. As a result, GDP started to recover. The IMF accepted that they had underestimated the severity of the economic crisis (IMF, 2000; Stiglitz, 1999). Tight monetary and fiscal policies during the beginning of the programmes may have been too stringent and hence deepened the already severe crisis. As a consequence, relatively more relaxed policies, together with a stimulus package, were then implemented in order to boost investment and consumption during the mid and latter periods of the programmes.

¹⁹ It is possible that there is a delayed positive effect of the devaluation of the home currency in term of improvements in the BOP and increases in export volume, or what is often known as a J-curve effect. This delay is due to the low price elasticity of demand for imports and exports in the immediate aftermath of an exchange rate change.

However, based on business cycle theory, Stiglitz (1999) has argued that the recovery of the Thai economy was already underway, regardless of the implemented ESAPs. He states “that the crisis would eventually end, I would argue, was inevitable; we know that economies always recover - we just can't say when, or after how long of a recession” (Stiglitz, 1999 p.1). In other words, the claim that the IMF's ESAPs are successful, based on positive trends in macro economic indicators, is questionable since it is not certain that the positive signs can be directly attributed to the ESAPs or whether the improvements are sustainable. Stiglitz adds claims that the recovery of the Thai economy was met with the high costs of severe economic contractions, particularly during the first phase of the adjustment programmes.

The assessment of the ESAPs using such indicators only paints a partial picture of the success of the ESAPs and does not resolve how the effects of the crisis and the stringent fiscal and monetary policies have been borne by people on the ground. If the macro economic indicators aggregately show an improvement, but vast numbers of people have been negatively affected, the ESAPs have only partially succeeded. The following four sections discuss the impact of the changes in economic conditions through the four channels of employment, income, expenditure and health and education conditions.

Impact on employment

"Thai labor markets were one of the main channels through which the impacts of the financial crisis were transmitted to the Thai people. As the economic shock spread to the real economy shortly after July 1997, aggregate demand fell and firms responded by cutting back on employment and reducing the wages paid to employees." (WB, 2000, page 1).

Prior to the crisis, the Thai economy was growing rapidly. At its peak in the early 1990s, the GDP growth rate averaged 12% per year. Moreover, the inflation rate was low and the exchange rate was extremely stable, partly because of the fixed exchange rate regime. The WB included Thailand as one of the eight “high performing Asian economies” as part of “The East Asian Miracle” (Warr, 1993; 1996).

The Thai economic structure transformed considerably during the boom period (90-96). As previously discussed in Chapter 2, the agricultural sector, which historically was the primary employer and major source of export income, declined while the role of the manufacturing and service industries rapidly increased since 1985. This led to a general increase in incomes as well as much new employment in those sectors. The agricultural

production pattern also changed from low productivity subsistence farming to cash crop production, which consequently became more dependent on the world commodity market.

Consequently, these transformations impacted positively on employment. For instance, in 1996 the employment rate²⁰ was 98.9% while unemployment²¹ was at 1.1% and underemployment²² at 1.8% (WB, 1999a). The emergence of relatively new sectors such as manufacturing and services, particularly tourism, provided new opportunities for Thai labour, both male and female. The construction of new buildings for businesses as well as a high demand for residences, often funded by foreign investors, boosted the demand for male construction labourers, while the leading manufactured export products, including electrical appliances, electronics computer parts, textiles and chilled frozen food, were produced mostly by women and thus led Bell and others to claim that the Thai economic miracle was built on the backs of women (GDRI, 2001; 1995; Bell, 1997).

According to GDRI (2001), Thai female labour played a significant role in the country's economic development and contributed prominently to the boom. The female component of the Thai labour force, at 46%, is among the highest in the world. However, it should be noted that despite such a high female participation rate, there is a rigid gender structure in the labour market. In terms of work status, men outnumber women as employers by a ratio of 80:20, government employees by 59:41, private employees by 58:42 and own account workers by 65:35 (*ibid*, 2001). In terms of industry, it is found that men outweigh women in the three main sectors of agriculture (60:40), commerce (54:46), and construction (83:17) whilst more women are engaged in manufacturing (55:45) and services (56:44) (*ibid*, 2001). Women also dominate unpaid family work (67:33) (NSO, 2001). It is also evident that in all major industries (agriculture, manufacturing, commerce and services), there are

²⁰ Employed persons are people over 13 years who worked for at least one hour for wages, profits, dividends or any kind of payment or those temporarily not working because of illness, holiday, injury or bad weather, or those working for home business without getting paid. The employment rate is calculated from the total employed persons divided by the current labour force.

²¹ Unemployed persons are defined as people who have no work but are willing to work. The unemployment rate is calculated from the total unemployed persons divided by the current labour force.

²² Underemployed persons are people who are working for less than 35 hours per week but willing to work more than those hours. The underemployment rate is calculated from the total underemployed persons divided by the current labour force.

more women than men in the low income group²³ and more men than women in the higher income groups (GDRI, 2001). At top positional levels, it is also found that the majority of jobs are held by men. Despite this gender segregation of employment, it is apparent the economic boom provided new job opportunities for men and women alike though men and women engage in the employment on different terms.

During the economic turmoil, the Thai labour market was negatively affected (UNESCAP, 1999; UNDP, 1999; NSO, 1998). The numbers in employment fell by 3.1% between August 1997 and August 1998 and continued to decline until 1999, as shown in Fig. 3.4. The closure of 58 finance companies and the collapse of the property market contributed enormously to the fall in employment that occurred, particularly at the end of 1997. UNESCAP (1999) estimated that 250,000 people lost jobs as a result of the liquidation of the finance companies. The NSO (1998) and Sauwalak (1999) claimed that the collapse of the property market following the capital outflow lowered demand for construction labour. These declines in demand also lowered the purchasing power of workers as well as demand for other outputs. These knock-on effects contributed to subsequent deepening unemployment.

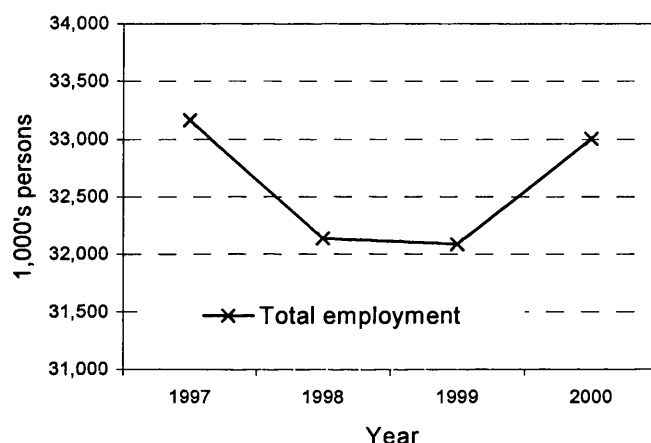
Employment levels started to rise at the beginning of 1999 due a combination of factors, resulting both from the ESAPs and a general improvement in economic conditions. These factors include (i) a return of foreign investment due particularly to restored investor confidence, (ii) the materialisation of the positive impacts of the devaluation of Thai baht, (iii) an increase in domestic investment and consumption (Bangkok Post, 2000) and (iv) various economic stimulus programmes such as "The Economic Stimulus Package" or "30th March package" and "Measures to Encourage Private Investment", implemented in 1999 by the Thai government.

The increase in foreign investment was, to a large degree, owing to improved financial market conditions, including the stabilisation of the exchange market. A restoration of confidence could also be related to an improvement in Thailand's credit rating in 1999, as assessed by various credit rating agencies, including Moody's and Standard and Poors' (MOF, 2001). For example, the rating determined by Moody's increased from "unstable"

²³ Low income group includes those who earn less than 6,500 baht a month while the higher income group includes those who earn more than 6,500 baht per month.

in 1997 to "stable" in 1999 (MOF, 2000, page 36). The positive impact of the devaluation started to materialise when more relaxed laws for foreign investors gave more freedom to invest and attain certain assets in the country. As a result, an influx of many foreign businesses, especially retail and discount stores, occurred as well as mergers with existing viable Thai businesses and the creation of new businesses. Lastly, the economic stimulus programmes helped business through tax and non-tax related measures to boost investment in the private sector as well as improve purchasing power. The temporary reduction of VAT from 10% to 7% boosted the purchasing power of consumers. This increase in investment and purchasing power had a fairly immediate effect on employment.

Figure 3.4: Total employment (1997-2000)

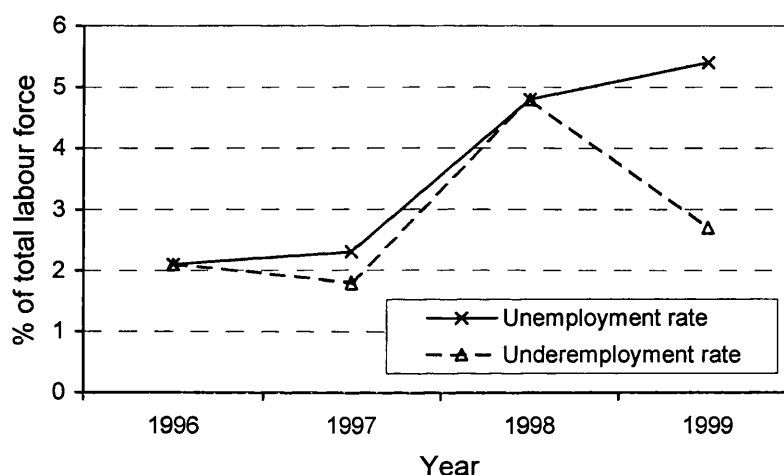


Source: NSO, 2002

However, the employment numbers alone do not reveal the impact on workers of the economic crisis and the ESAPs. An increase in the unemployment and underemployment rate was observed after the crisis and the unemployment rate rose steeply from 2.3 to 5.4% of the total labour force from 1997 to 1999, as shown in Fig. 3.5. Not only were people laid off after the crisis, but Sauwalak (1999) claimed that 74% of retrenched labour did not receive any compensation. Moreover, Nukul (1998) claimed that ex-workers were unable to find new jobs during the economic rebound. This was particularly true for the lowest qualified and those in old age (*ibid*, 1998).

The underemployment rate increased markedly from 1997. According to the Thai official definition of the underemployment which refer to people working for less than 35 hours per week, there was an estimation that the percentage of increased from less than 2% to almost 5% of the total labour force over a one year period following the crisis. UNESCAP (1999) found that the underemployment rate in rural areas was greater than that in urban areas due to the abundance of migrated labour returning from urban to rural areas (Pasuk and Baker, 2000; Kanoksak, 1998; Kakwani et al., 1999).

Figure 3.5: Unemployment and underemployment rate (1996-1999)

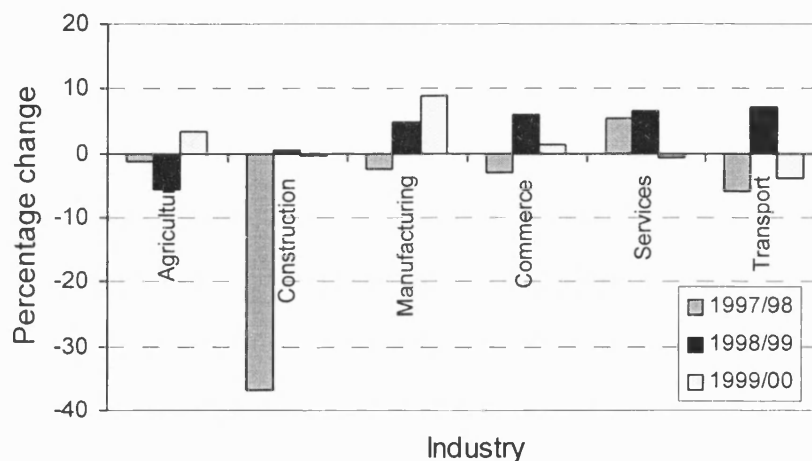


Source: The WB, 1999

Analysing the effect of the economic crisis and the ESAPs on employment in more detail, one finds that the reduction in employment at the beginning of the crisis is not equally distributed through all sectors. Figure 3.6 shows a reduction in employment in all sectors except the service sector. Construction work was the most negatively affected with a drastic reduction in employment of more than 35%. The sharp reduction in employment in the construction sector stemmed from the severe collapse of the property sector, which was buoyed by speculative investment prior to the crisis. The bursting of the bubble in the real estate market had unavoidable effects on the labour markets in this sector. The reduction in employment in manufacturing occurred mainly in low skilled or low technology

production though it should be noted that the reduction in manufacturing employment only lasted for one year. This is due to the fact that Thai labour lost its international competitiveness due to relatively cheaper labour being targeted in countries such as China and Vietnam (UNESCAP, 1999). The Arom Pongpangan Foundation conducted a survey of unemployed persons in manufacturing six months after the crisis (1998). Its findings confirmed that the highest proportion of unemployed persons was previously engaged in low technology production for the textile or garment industries (Arom Pongpangan Foundation, 1998).

Figure 3.6: Changes in employment classified by industry (1997-2000)



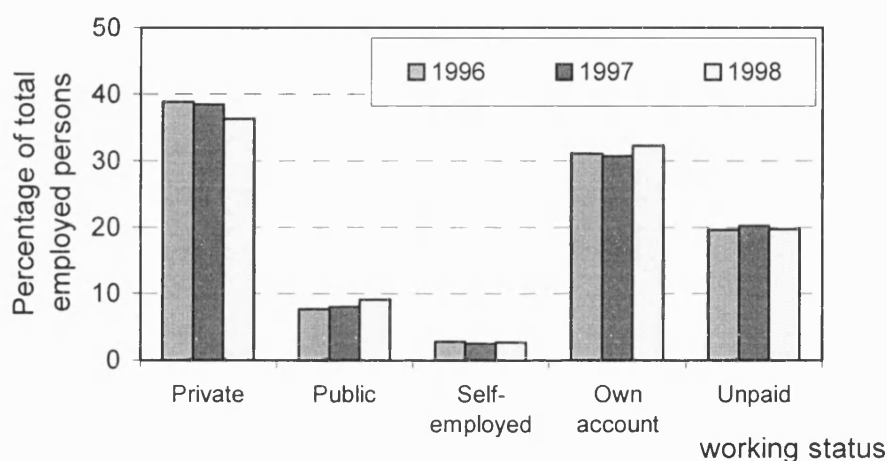
Source: NSO, 2002

At the outbreak of the crisis, many policy makers and academics expected an increase in farm employment due to a massive reverse migration of unemployed persons from municipal areas (Sauwalak, 1999). However, the changes showing by formal statistics of employment in the agricultural sector in the year 1998/9 was not as anticipated. There are three probable explanations for the reduction in employment in the agricultural sector. Firstly, during the crisis the agricultural sector already had an excess supply of labour. The WB (2001) noted that prior to the crisis, the demand for farm labour had already declined due to an increase in mechanisation. The reverse migration of workers added to this initial surplus. Secondly, although farmers may have gained from the devaluation of domestic currency and an increase in export demand for their cash crops, the price of agricultural inputs increased. These increased production costs meant that farmers could not afford, or

were less inclined, to use hired labour. Lastly, there is a limitation of the available farm land to absorb reverse migrants. This is due to the sale of land during the property boom.

The service sector is the only sector that was not adversely affected by the crisis, in terms of overall employment figures. This is probably due to the positive effects of the devaluation and particularly the increased foreign investment in the service sector. For example, various foreign superstore and discount stores businesses, including the U.K.'s Tesco, the Netherland's Makro and France's Casino, took advantage of the devaluation in mergers with financially troubled Thai supermarkets. The expansion of such businesses and opening of new branches generated significant employment within the sector.

Figure 3.7: Percentage of employed persons classified by working status (1996-1998)



Source: NSO, 1997, 1998, 1999

Analysing the impact of the economic crisis on employees of different working status, it was found that the private workers were among the most negatively affected. As can be seen in Fig. 3.7, the percentage of employed persons in the private sector reduced from 38.5% in 1997 to 36.3% in 1998, whilst employment in all other sectors, except the unpaid labour sector, increased. The decline in employment in the private sector can be explained by the contraction of production, especially in non-tradable sectors²⁴ (Pasuk and Baker, 2000; MOF, 2001). These non-tradable sectors tended to be more susceptible to adverse

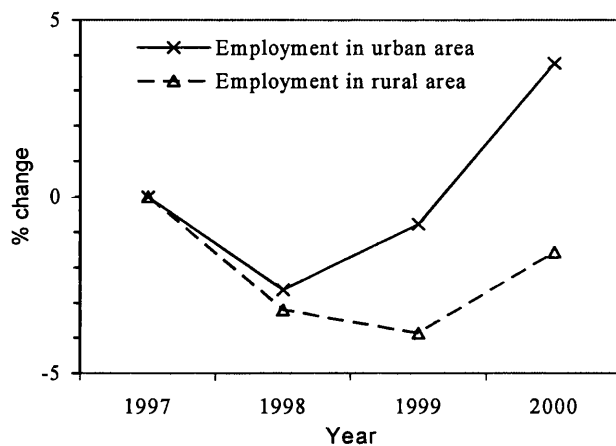
²⁴ Non tradable sectors refers to the economic sectors which produce goods and services which cannot be traded or earn (foreign) income.

impacts from the crisis and the ESAPs. The data in Fig. 3.7 suggests that employees in the private sector may have transferred to the public sector following the introduction of various government projects to create temporary work as part of the social safety net programmes. The rise in own-account work suggests also that many new self-run businesses also have been created by those leaving the public sector.

With regard to urban and rural differences, Fig. 3.8 shows the percentage change in employment which reveals a similar trend. A severe drop in employment can be found in both rural and urban areas, particularly at the beginning of the crisis between 1997 and 1998. While rural employment experienced a sharper, longer and larger degree of decline, urban employment faced a somewhat shorter decline and started to improve in 1998. Pasuk and Baker (2000) believed that the service and self-employed sectors absorbed the newly unemployed in urban areas. Kanoksak (1998) also stated that small food businesses flourished during the aftermath of the crisis because they require little capital and minimum skills. Although the statistics may indicate that urban employment was less negatively affected by the crisis, they may hide the fact that urban people with limited social security²⁵ could not afford to survive without work and affected people needed to find new jobs quickly. Thus, it can be argued that the comparison between changes in total employment numbers in rural and urban areas may not be an accurate indicator for determining which geographical area was the most severely impacted. What this data reveals is that both rural and urban employment was affected, whilst subsidiary data suggests that better flexibility of the urban labour market lessened its overall impact and alternative sources of employment could be found in urban locations under the new economic environment.

²⁵ There are limited formal "social security" systems in Thailand for the poor, children, elderly and disabled (WB, 1999a, 1999b, 2000). Social security includes free health care in public health care and primary public schooling for those household members having on income less than 20,000 baht per year. Unemployment insurance systems do not exist. The formal system only covers workers for sickness, work injury, and payment during 90 days maternity leave (*ibid*, 1999b).

Figure 3.8: Percentage change in employment classified by location (1997-2000)



Source: NSO, 2001

Published information and analysis of the gender-differentiated impact of the crisis on employment is fragmented, indistinct and often contradictory. The ADB (1999) stated that the gender impact of the economic crisis on employment was unclear. They suggested minimal gender differences in the adverse impacts on employment (ADB, 1999). However, UNESCAP (1999) stated that women were severely impacted by the crisis because they were generally engaged in low-skilled waged employment prior to the crisis and thus more vulnerable to market changes. Their vulnerability was further emphasised by the common perception of female employees as secondary income earners, which was used to justify laying off female labour in preference to male workers (*ibid*, 2000). The Arom Pongpangan foundation's (1998) conclusions also supported those of UNESCAP, in that women were the last to gain from the boom and the worse affected during the crisis. The WB (2000), on the other hand, presented data from the LFS and concluded that male employment was most negatively affected by the crisis and the ESAPs. The differences in such claims persist for two possible reasons. These concern the time of evaluation and the data set used. Although the ADB and WB use the LFS data in comparing employment rates before and after the crisis, they have used different data sets that correspond to different time periods. The ADB carried out the evaluation one year before the WB and used LFS data from one quarter of the year, whilst the WB used average employment, unemployment and underemployment rates from three quarters of the year before and after the crisis as an indicator. The Arom Pongpangan Foundation, on the other hand, collected empirical data from unemployed persons. These case studies involved mostly those working in textile factories, the majority of whom were women. Such a study sample is likely therefore to produce female bias in the findings.

The analysis of time-series data from LFS's gathered by the NSO (Table 3.5) shows that the changes in male and female employment followed similar trends. Both male and female employment declined at the beginning of the crisis, with a slightly higher percentage drop in female employment. For example, between 1997 and 1998 male and female employment decreased by 2.6% and 3.4% respectively. Thereafter, both male and female employment increased at a similar rate. However, analysis of unemployment figures reveals a different picture. Although both male and female unemployment more than doubled between 1997 and 1998, the percentage increase in male unemployment was approximately 60% more than female. From this analysis, it is suggested that while female employment declined at a greater rate than male at the beginning of the crisis, women who were no longer employed did not necessarily become classified as unemployed. One explanation for this is that some women may have entered informal working sectors doing sub-contracted work or started their own small-scale businesses (Pasuk and Baker, 2000; Kanoksak, 1998; WB, 2001). These types of work are difficult to account for in a LFS. Moreover, it is possible that during recessions employed women, as well as men, may more accurately fall into the category of underemployed.

Table 3.5: Employed and unemployed persons classified by sex (1997-2000)

	Employed persons²⁶ (thousand)		Yearly change		Unemployed persons (thousand)		Yearly change	
	Men	Women	% Men	% Women	Men	Women	% Men	% Women
1997	17,739.5	13,974.7			248.8	238.2		
1998	17,275.2	13,500.1	} -2.6	-3.4	737.2	571.2	} 196.3	138.8
1999	17,425.1	13,630.6	} 0.9	1.0	733.9	616.8	} -0.5	7.9
2000	17,763.6	13,947.0	} 1.9	2.3	605.6	509.6	} -17.5	-17.4

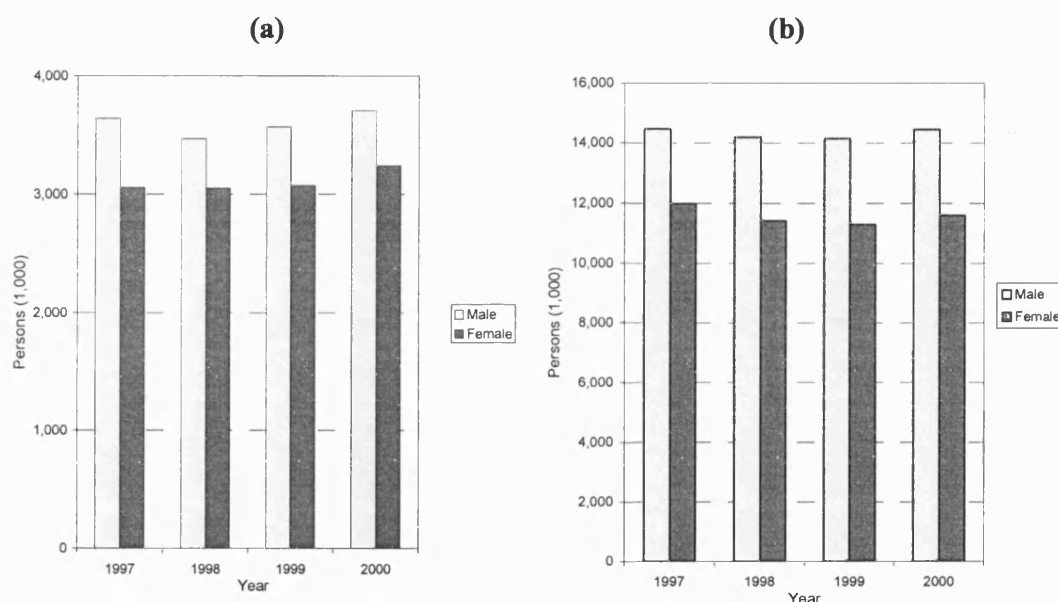
Source: NSO, 2002

Employment figures can be used in analysing the gender differentiated impact of the crisis and the ESAPs in different locations. It is seen in Fig. 3.9 that in urban areas a higher proportion of male jobs were lost than female jobs. The NSO (1998) claimed that male employment in urban areas was more affected by the crisis in all industries except the

²⁶ Annual employed and unemployed persons are calculated from an average (un)employment in the Labor Force Survey in every February and August.

construction industry. A higher proportion of women lost their jobs in the construction industry, partly because it was traditionally a male oriented industry. In the rural area, on the contrary, it was found that female total employment declined more sharply than male employment during the economic crisis and the ESAPs. The NSO (1998) claimed that this was because female work was more concentrated in the agricultural sector prior to the crisis and women were forced out of farm labour by unemployed males returning from urban areas to their rural homes (NSO, 1998).

Figure 3.9: Total employment classified by sex in (a) urban and (b) rural areas (1997-2000)



Source: NSO, 1998, 1999, 2000, 2001

It should be emphasised that employment and unemployment only reveals part of the real situation²⁷. As the WB noted, "unemployment is useful as a measure, but less so in Thailand, where open unemployment levels are relatively low" (WB, 2000 p. 1). It is very likely that retrenched workers may become underemployed during the crisis in an attempt to minimise loss of income.

²⁷ The inaccuracy of (un)employment statistics in Thailand exists because of the lack of unemployment benefits and formal registration of unemployed persons.

This section has presented the impacts of the economic crisis and the ESAPs on employment. It can be concluded that generally, people experienced an adverse impact through worsening employment conditions. Time-series analyses of employment figures indicate a drastic drop in employment levels during and immediately after the crisis. The situation improves only after the implementation of the stimulus programmes by the government in 1998. Unemployment and underemployment rates increased dramatically after the crisis due to a combination of factors including loss of confidence by investors, reduction in profit, liquidity problems, rise in input costs and low demand for products. Among all employees, those in the private sector appeared to be the most affected and particularly those working in the construction, financial and manufacturing sectors. Although people in rural and urban areas were adversely affected, rural workers suffered a longer lasting impact. Males were more affected by the impact of the crisis and ESAPs on employment in all sectors apart from the construction and agricultural sectors.

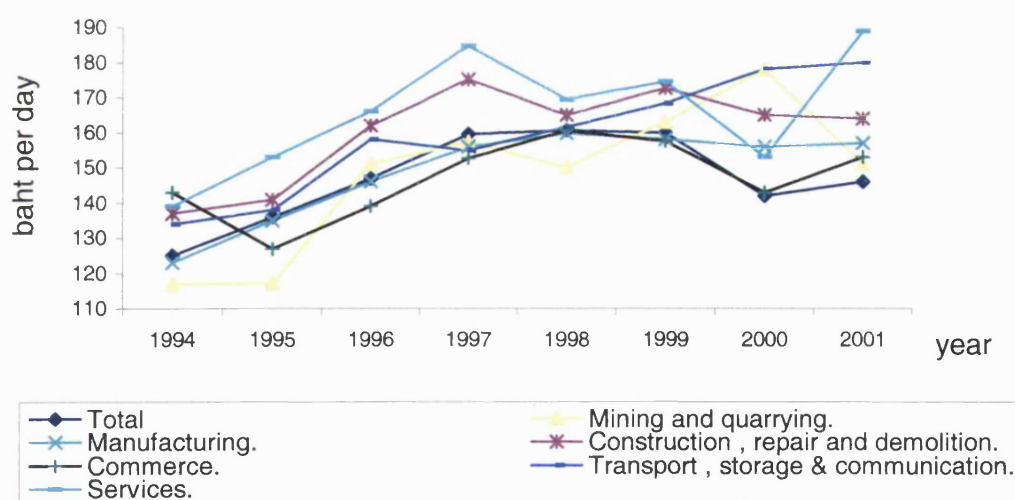
Impact on incomes

Apart from the negative effects of the economic crisis on employment, economic shocks also have affected people's income. It is noteworthy that the examination of the changes in income is a highly complex issue particularly when it is looked at within the context of shock. This is because it is closely related to the other aspects of the impacts of shocks such as employment and changes in prices of food, necessities or input. In this section, changes in levels of the nominal income or nominal wages, which refers to the actual financial return of individuals or households, will be discussed. Later discussion will follow on how these changes in nominal income as well as the changes in employment and the prices of goods and services may have impacted on the real income of household.

On the macro level, the National Statistical Office has conducted the Household Socio-economic Survey (HSES) annually since around the same time as the first national economic plan was implemented in early 1960s. One of the categories included is the nominal income level of households and individuals. As previously discussed, the status of the employee as well as the sector of employment appear to have a significant influence on the differences in income levels. In the NSO survey on income, data on the level of income has been gathered and categorised based on two main sectors of employment namely casual daily waged employment and private employment.

Prior to the crisis period, according to the HSES from various issues, it is evident that the average nominal daily wage for the whole country steadily increased. A rise in the average nominal daily wage presented by the blue line in Fig. 3.10 rose from around 125 to 160 baht per day between 1994 and 1997. This rising trend of the daily wage can be observed in all industries except the transportation industry in which the wage has declined slightly in 1996. After the shock occurred in Thailand in mid 1997, the average nominal daily wage of all industries stagnated at around 160 baht per day for two years until 1999. Most daily wage workers in majority of industries experienced a decline in average wage. In particular construction and service daily waged workers experienced a drastic decline in their daily wages. Although the data on the agricultural sector was not available in the national survey, from their report, it was claimed that the nominal daily wage of farmers also declined following the crisis (NSO, 1999b).

Figure 3.10: Average nominal daily wage classified by industry (1994-2001)



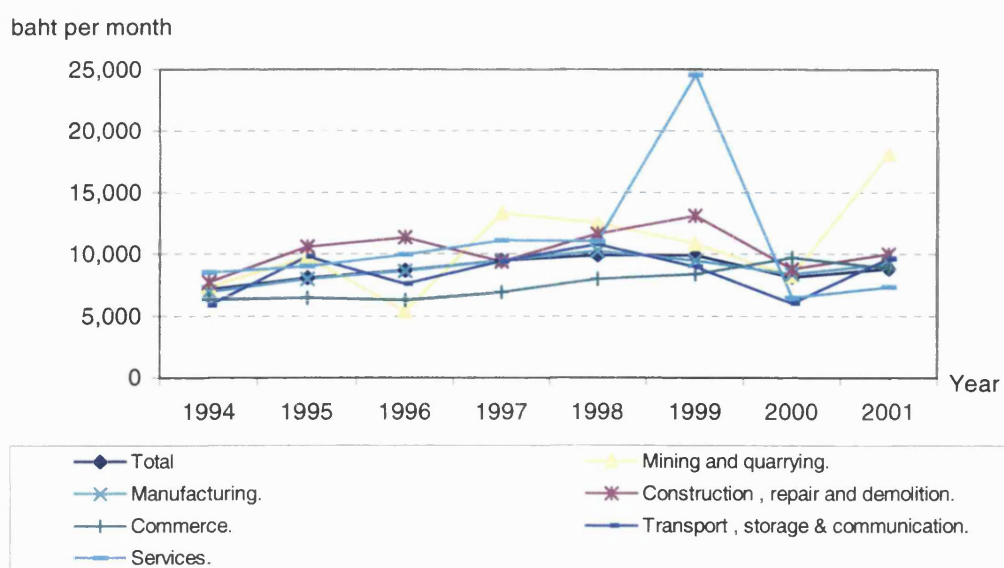
Source: National Statistical Office (1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002)

It is likely that the steady rise of the average nominal daily wage prior to the shocks was contributed to by Thailand implemented the minimum daily wage. This minimum wage was adjusted at least annually though in some years it could be adjusted more than once because of the favourable economic conditions. The adjustment was carried out through the agreement of three parties namely the government usually the Ministry of Labour and Social Welfare, the Thai Labour Union and the association of entrepreneurs (Warangkana,

1998). The government tended to achieve an increase in the daily wage rate in parallel with the inflation rate. However, there has been doubt regarding how far this minimum wage was really applied since the ADB has argued that much labour received less than the guaranteed wage rate (ADB, 2003). The decline of the nominal wage since 1997 can be partly explained by the poor economic conditions and a decline in investment itself but this decline can also be argued to stem from the removal of the official minimum wage system at this time. At present, the daily wage workers in each province have to negotiate their wage with their employer in the presence of the government official of their province.

Fig. 3.11 presents the national average nominal monthly wage of private employees classified by industry from 1994 to 2001. In general, the average nominal monthly wage of private employee increase on the same trend as for daily waged workers. The nominal monthly income steadily increased from 7,134 to 9,464 baht per month between 1994 and 1997, that is, 32 % within 3 years or approximately 11 % per year. Fig. 3.11 also shows that the change of income in each industry appeared to be different. The nominal average monthly income in some industries such as manufacturing, service and commerce steadily increased whereas workers in some industries like construction and mining experienced a drastically fluctuating income.

Figure 3.11: National average nominal monthly wage of private employees classified by industry (1994-2001)



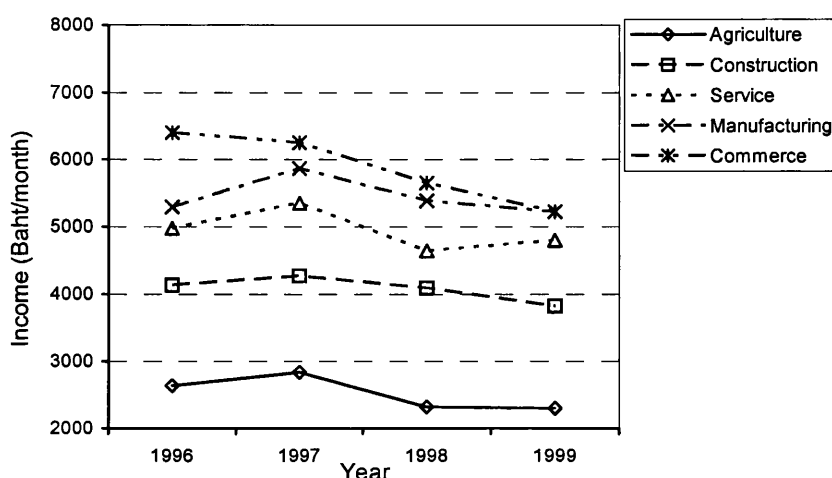
Source: National Statistical Office (1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002)

After the crisis year of 1997, however, the nominal wage has only slightly increased from 9,464 to 9,907 and 9,928 baht in 1998 and 1999 respectively. In fact, private employees in many industries have experienced a decline in nominal income after the shock particularly those working in construction, mining, and service industries. Although the nominal income in other industries may have continued to increase, they have increased on a diminishing rate as can be seen in Fig. 3.11. It is noteworthy that income in the service industry markedly increased two years after the crisis. This increase can be explained by a recovery of businesses within the industry as well as the arrival of new foreign investors. These foreign investors took over or merged with Thai businesses taking advantage of the devaluated home currency following the floatation.

Beside the fluctuation in the nominal wage, it was discovered through research by various authors that the income of individuals and households also changed because of decreases in working hours, cuts in bonus pay, lower commissions and the removal of fringe benefits (Pasuk and Baker, 2000; UNDP, 1999). These changes all have impacts on the overall income. The World Bank's publication series of the Thailand economic monitor has also highlighted that the Thai labour market is highly flexible so that the adverse impact on labour markets led to a reduction in wages rather than employment numbers (WB, 2001).

Moreover, as earlier stated, changes in the price of goods and services also determine the total effect on the changes of nominal income itself. A decline in real income (base year 1988) occurred due to recession following the outbreak of the crisis and it was observed in all industries, as shown in Fig. 3.12. Among all industries, the service sector is the only industry in which the real monthly income increased in the second year following the crisis, owing to the increase in foreign investment aforementioned. This expansion not only cushioned job loss but also provided a secure income for some workers in the sector.

Figure 3.12: Real monthly income classified by industry (1996-1999) base year 1988



Source: NSO, 1997-2000

Perhaps the most alarming and comprehensive figure reflecting the impact of the crisis is the drastic increase in income poverty incidence. Between 1988 and 1996, the Thai poverty incidence rate significantly declined from 33% to 11% of a total population of approximately 65 million people (ADB, 2003). This means that on average over 1 million people were lifted above the poverty line each year. However, after the crisis struck in 1997, it was reported that poverty incidence increased by an additional 3 million people being forced below the poverty line²⁸ (poverty incident rate went back up to 13% in 1998). It may seem clear that the poverty incidence in Thailand is closely linked to the country's economic performance. However, the fact that the economic crisis caused such impact on the steady improvement of poverty levels may suggest that the advancements in people's lives (at least on the basis of income level) were not sustainable with many people being in a vulnerable position.

The statistics also show that while poverty incidence was impressively reduced in the decade previous to the crisis, income disparity became more pronounced. That is, the rich became richer whilst the poor became relatively poorer, though it should be noted that the situation slightly improved just before the crisis struck in 1997. The Gini coefficient regressed from 0.458 in 1986 to 0.497 in 1992 and then improved to 0.484 in 1996 prior to

²⁸ Poverty line is set at 1 US dollar a day per capita using 1985 prices (WB, 2002). 1 US dollar = 42.51 baht.

the crisis. After the crisis, although the poverty incidence increased, the situation with regard to income disparity continued to improve. This may suggest that although increasing numbers of Thai people became poorer, the incomes were more equally distributed.

In terms of “human poverty²⁹”, the trend mirrors that of the changes in income poverty. That is, the Human Poverty Index (HPI) improved from 30% in the 1970s to 12% in the 1990s and Thailand was ranked 11th among 78 developing countries. In terms of the Human Development Index³⁰ (HDI), Thailand steadily ascended from being ranked 78th at the beginning of the 1990 to 59th prior to the crisis but had dropped back to 76th in the year 2000. The UNDP suggests that this slip in HDI is owing to the short-term income losses from the crisis.

Changes in prices

Following the economic crisis and the ESAPs in 1997 the prices of various products drastically increased, including imported and domestic inputs, food, services, electricity and water charges, petrol, as well as other consumable goods. Figure 3.13 shows the percentage change in the general consumer price index (CPI)³¹ over the period 1996-2001. It can be seen that both the basic and general CPI underwent steady increases prior to the large jump during the crisis month³². The general CPI increased by 5% over the pre-crisis year, while over the crisis year the increase was 8%.

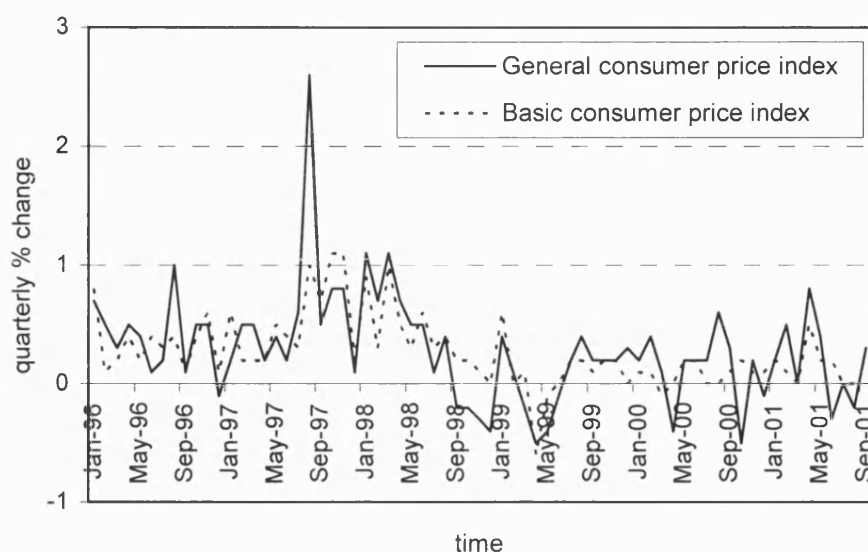
²⁹ The new poverty measurement proposed by the UNDP in 1997 takes into account the three dimensions of human life including longevity, knowledge and standard of living (UNDP, 1999)

³⁰ Human Development Index (HDI) is a comprehensive index covering life expectancy index, education index and GDP index (UNDP, 1999).

³¹ General CPI is calculated by the Department of Internal Trade (DIT), MOC. The data was gathered by NSO under the household expenditure survey. All prices include VAT and excise tax. While general CPI includes all food and non-food products, products have been weighted and calculated according to consumers' popularity and sales volume (Bureau of Trade and Economic indices, 2000). Basic CPI refer to general CPI less raw food products.

³² The crisis month is defined as July 1997.

Figure 3.13: Change in the general and basic consumer price indices (1996-2001)

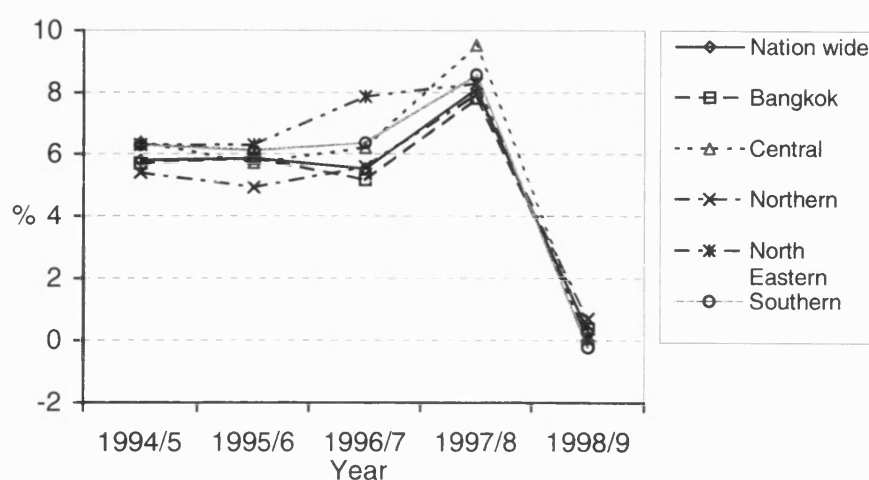


Source: MOC, 2002

There were various factors contributing to the rise in the CPIs, including an increase in VAT from 7% to 10% in August 1997. Moreover, the increases in various indirect taxes under the tight fiscal policies of the ESAPs, including import tax, stamps and duties, inevitably affected the price of various products and particularly luxury goods. The removal of the subsidies on petrol also led to a rise in consumer petrol prices, according to the real market prices. As a consequence producers in both the private and public sectors, and particularly those relying on imported content, faced a problem of increasing production costs. Moreover, specific monetary policy measures of high interest rates and credit squeeze resulted in higher business costs for many producers in the real market. The prices of final products were consequently pushed up.

Analysing the CPI in different regions, it was found that the trends were similar. Figure 3.14 shows that while the Central Region encountered the highest percentage change in CPI of more than 9%, other regions faced drastic but slightly lower increases of 8% on average. Prapat and Kritsada (1999) conducted empirical research on the impact of the crisis on the rural poor in which they examined prices in different regions of Thailand. They found that people from different regions have distinct preferences in food consumption, which together with availability of regional products, determine prices in the local market. Prices of local products in the local market are relatively lower compared with the same product sold elsewhere.

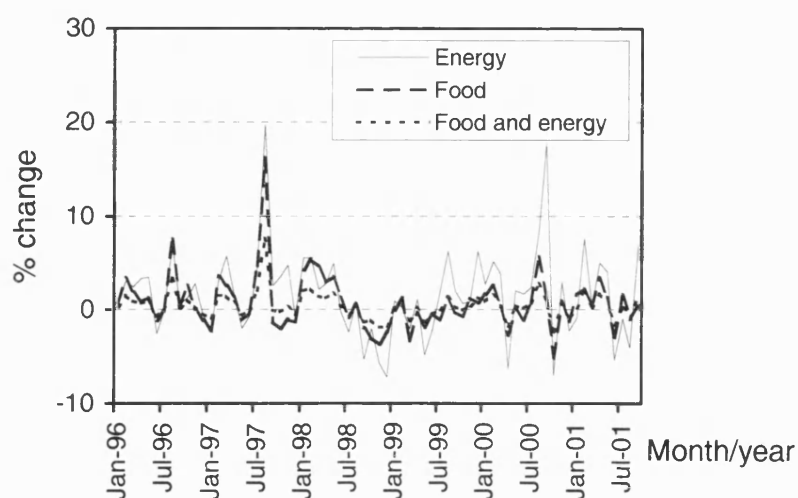
Figure 3.14: General consumer price index classified by regions (1996-1999)



Source: DIT, MOC, 2002

Analysing the changes in CPI according to groups of products, it was found that the trend was similar for all products although degrees of fluctuation appeared to differ. Figure 3.15 illustrates the changes in CPI's for food and beverages and energy products. It can be seen that after the crisis, both CPIs increased. However, the price of energy products rose to a much greater degree. This was due to the fact that the energy products are mostly imported and their prices are determined jointly by world energy prices and the value of the Thai baht.

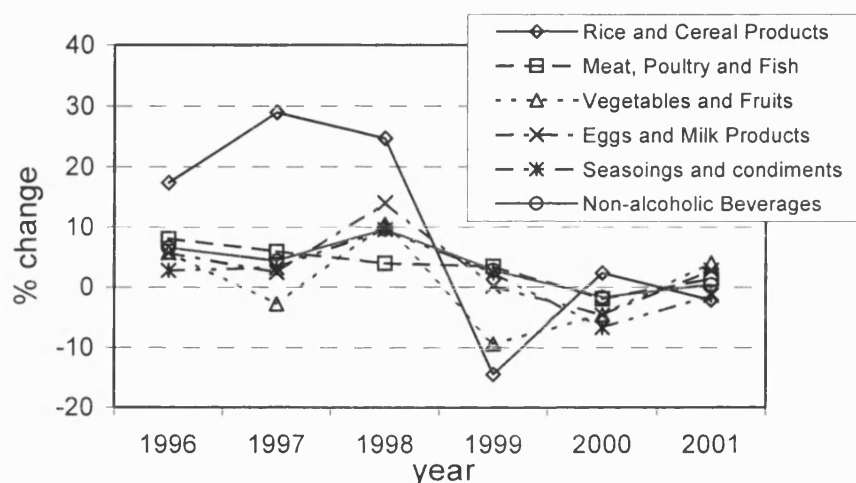
Figure 3.15: Biannual changes in consumer price indices of energy and food (1996-2001)



Source: MOC, 2002

Among all food products, rice and cereal products, which are the main staple food for Thai people, have experienced severe fluctuations, as shown in Fig. 3.16. The CPI for rice drastically increased in 1997 by almost 30% compared to the previous year. This jump in rice prices was due to an increase in external demand for rice (BOT, 1999) resulting from the devaluation of the Thai baht. Vegetables and fruit products, as well as other food products, seem to have experienced similar trends whereby their prices slightly increased. The increase in the CPI for meat and poultry products was second only to that for rice.

Figure 3.16: Annual changes of consumer price indices of food products classified by types of food (1996-2001)

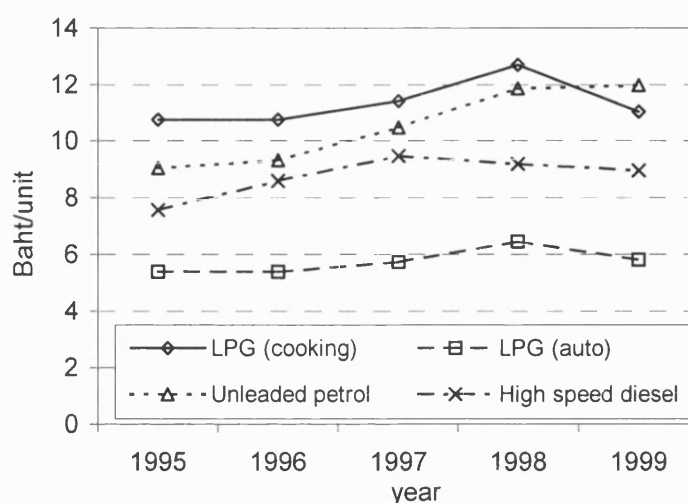


Source: MOC, 2002

The retail prices of energy products after the economic crisis and the ESAPs rose significantly. Figure 3.17 illustrates the sharp increase in prices of Liquid Petroleum Gasoline (LPG) for cooking and automobiles as well as unleaded petroleum gasoline immediately after the crisis struck. This is due to two main factors, namely the implementation of a high petrol tax under the ESAPs and the devaluation of the Thai baht. High speed diesel was the only fuel that did not rise in price as the government tried to cushion the potential negative impact on the production sector.

Utility charges were restructured under the new economic climate and stringent economic policies. Electricity charges, for example, were restructured on the 3rd October 1997, three months after the crisis. Icemap (2001) noted that the price of electricity constantly increased and continued to escalate at faster rates.

Figure 3.17: Prices of main energy products (1995-1999)

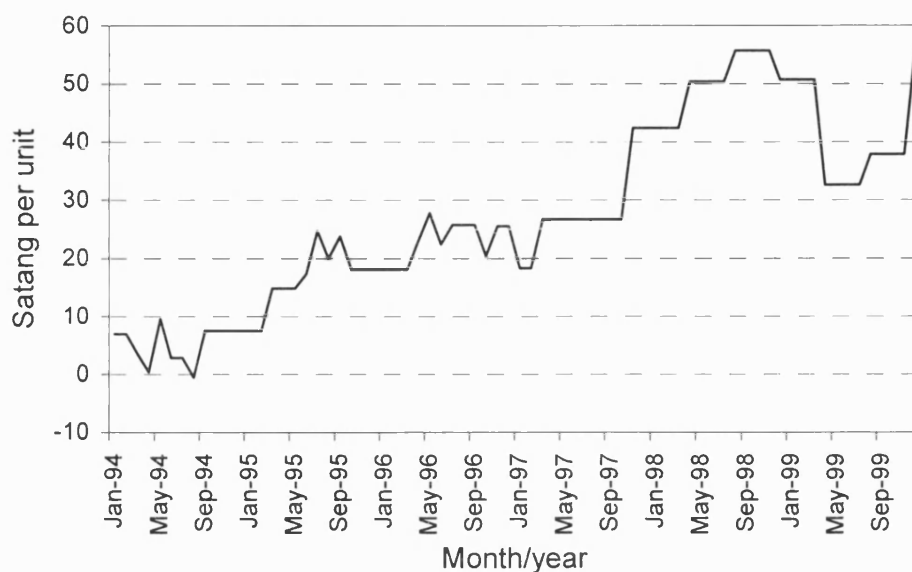


Source: NEPO 2001, ADB 2002

Since 1991, electricity charges were calculated from (a) fixed electricity base and (b) the factor costs or Ft. While a fixed electricity base was calculated from the cost of investment in power plants, construction of distribution systems and other fixed factors, factor costs were derived from variable factors such as changes in interest rate, fuel prices, exchange rates and debt burden (NEPO, 2002). The Ft was initially calculated on a monthly basis and users immediately bore the costs of changes in variable factors. Later on, the Ft was adjusted four monthly. Although external costs of electricity production were passed on to the user, the economic stability prior to the crisis meant that charges were fairly steady, as can be seen in Fig. 3.18. Also, the Thai baht was fixed and the interest rates³³ in the world markets were not fluctuating significantly. However, as the Thai baht came under attack in late 1996 and early 1997, the Ft fluctuated enormously. Rises in interest rates were also reflected in an escalating Ft. The Ft started to diminish at the end of 1998 when the Thai government approved the adjustment of the Ft formula, following mounting public pressure. The pricing formula was changed so that the costs that were previously transmitted to users would be borne by subsidies if, for example, the value of Thai baht fell below the defined floor limit (45 baht/\$).

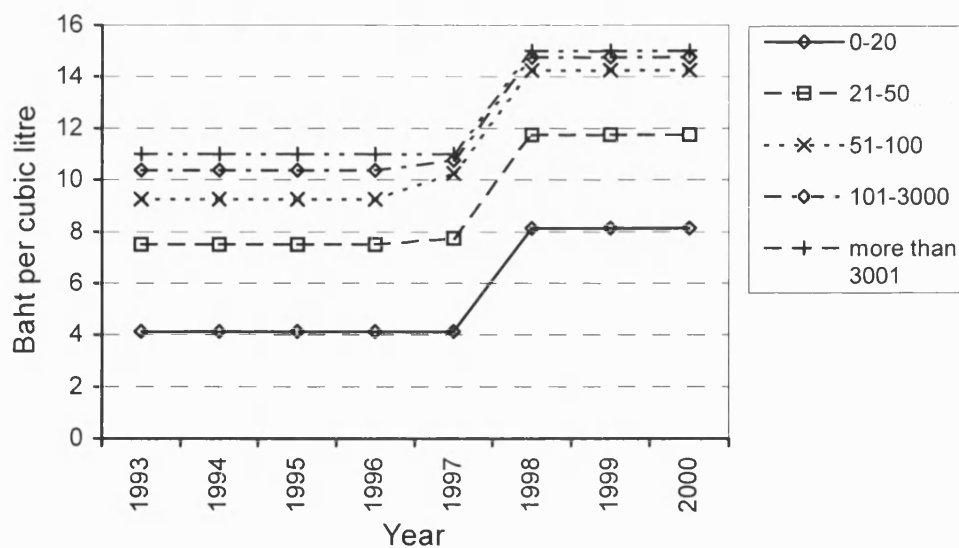
³³ The production of electricity in Thailand was based on foreign loans; hence the fluctuations of international interest rates had an effect on production overheads.

Figure 3.18: The changes in Ft charges (1994-1999)



Source: NEPO, 2001

Figure 3.19: Water charges for households (1993-2000)



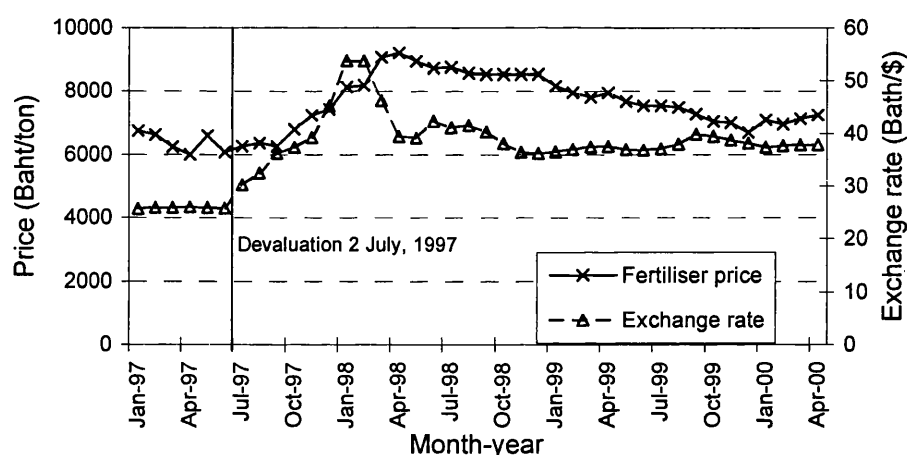
Source: Provincial Water Authority (PWA), 2002

People were not only affected by the rise in electricity charges. It was also apparent that other utility charges were escalating. Water charges for households, for example, were adjusted to a more progressive rate. This meant that users with high water usage paid more.

Figure 3.19 reveals how the water costs for households drastically increased. For example, charges for an average user of 51-80 cubic litres rose from 10 to 14 baht per cubic litre between 1996 and 1997.

The devaluation of the Thai baht not only affected energy prices and subsequently utility charges; it also adversely affected the costs of input for production. Costs of farm input, for example, which were mostly imported, increased following the crisis and the devaluation of home currency. The data presented in Fig. 3.20 enables comparison between the home currency fluctuations and changes in local fertiliser prices. It can be seen that the price of fertiliser steadily increased even before the crisis and reached its peak in May 1998. The price then remained fairly steady until the government started to encourage farmers to use local fertiliser, under the administration of the National Fertiliser Organisation (NFO), after which the price began to decline.

Figure 3.20: Local fertiliser price and foreign exchange rate (1997-2000)



Source: NFO, 2001

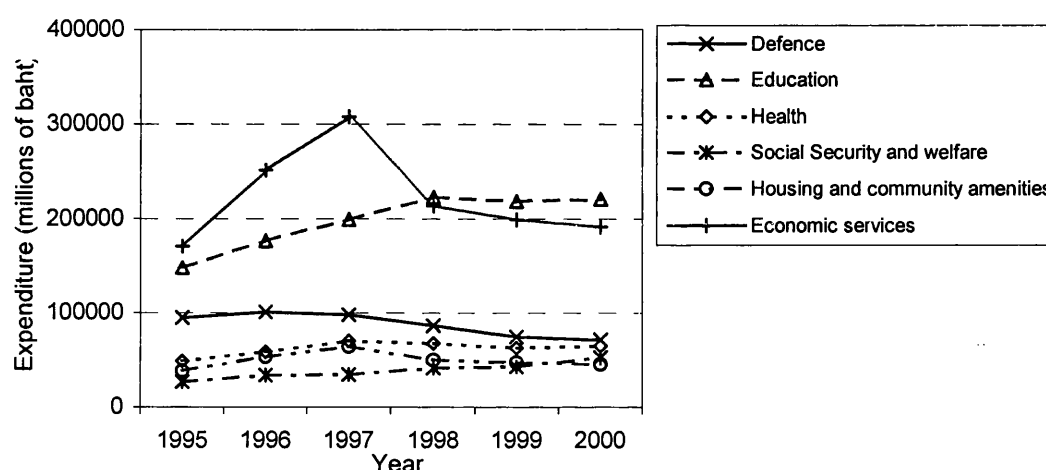
This section has presented the impact of the economic crisis and the ESAPs on the prices of necessary goods. The main indicator of the CPIs (both general and basic indices) reveals a general rise in prices at the start of the crisis. Both energy and food price indices drastically escalated during the crisis period. When the rise in energy costs stemmed from the devaluation of the Thai baht and increased petrol tax, this led to an increase in food prices as a result of increased production costs. Utility charges, including water and electricity charges, were adjusted and generally increased. However, it should be noted

that people in different regions faced different degrees of impact from the price rises. This disparity has been claimed to be a consequence of different cultural settings, and associated personal preferences, as well as the resource bases of the regions.

Changes in health and education conditions

It is generally accepted that social developments such as health and education are vulnerable to changes caused by economic contraction. UNICEF (1989) established the link between economic conditions and level and composition of the government expenditure and the changes to human development. This is because the composition of public expenditure as well as the effectiveness of the delivery system determines how the health and education conditions of people are affected (Cornia et.al., 1989).

Figure 3.21: Yearly nominal government expenditure classified by function (1995-2000)



Source: ADB, 2002

Under the ESAPs, the Thai government trimmed its expenditure. For the fiscal year³⁴ 1998, the budget was revised and cut three times. Fig. 3.21 below reveals actual public expenditure classified by function from 1996 to 2000. Total public expenditure declined from 931,756 million baht in 1997 to 842,861 million baht in 1998, a total reduction of 9.5%. The biggest cuts occurred in (a) housing and community amenities (b) economic services and (c) defence. Expenditure on health slightly decreased from 66,605 million

³⁴ The fiscal year started from October to September of the following year.

baht in 1997 to 59,921 million baht in 1998 and 57,145 million baht in 1999 respectively. Expenditure on education, on the other hand, increased mainly because of the spending under the social safety net programmes as part of the ESAPs. This section focuses on the impact of the economic crisis and the ESAPs on health and education, which will be discussed in turn.

Impacts on health

Damrong, et al., (1998) conducted research on the impact of the crisis on the health condition of Thai people. The team found that people's health had been adversely affected in three possible ways. Firstly, as people were under economic constraint they faced a drastic decline in their purchasing power due to the reduction in income and increase in the price of necessities, which restricted the degree of access to health care, particularly in the private sector. Consequently, many people resorted to using the public health service rather than the more expensive private health care. The Nation published the findings of the survey of health care in a Bangkok suburb in October 1998. It was found that a private hospital near Bangkok faced a drastic drop in patient numbers from 900 to 400 persons in 1997 alone, whilst the public hospital some 5 kilometres away struggled to serve 300 extra patients per day (The Nation, 5 October 1998). A survey conducted by the MOPH confirmed that these findings were not atypical (MOPH, 1999). It also found that the number of patients in 96 public hospitals increased by 50% compared with the same period of time in 1997 (*ibid*, 1999).

Secondly, it was found that due to the government budget/expenditure constraints, pressure was placed on limited resources, including human and medical material resources. This limitation may not have satisfactorily met increased demands for public health care. UNESCAP (1999) noted that because of these medical resource restrictions, the public health authorities were indirectly forced to change their strategy in order to achieve short-term financial gains. Therefore, the government concentrated on curative rather than preventative measures. This was manifested as large cuts in preventative programmes, including the halt of condom and contraceptive pills distribution. It was argued that these cut backs in preventive programmes might have resulted in a higher number of HIV AIDs infections (*ibid*, 2000).

Lastly, the cost of production in health care services drastically increased due to a combination of factors including inflation, high interest rates and the devaluation of the

Thai baht. UNESCAP (1999) reported that the wholesale price of imported drugs increased by 20-25% by January 1998 whilst that of locally produced drugs increased by 15-18%. This is believed to have caused further resource problems for the public health care services. Moreover, the surviving private hospitals may have experienced problems of debt repayment, especially those heavily dependent on foreign loans. Regardless of all such claims, the WB (1999b) remarked that the negative impact of the economic crisis on Thai people was not as severe as initially anticipated. As the WB noted

"Two years after the onset of the 1997 economic crisis, there is little if any evidence of its impact on health outcomes. Mother and Child Health outputs and outcomes are stable or increasing. There is no indication of an increase in health needs." (The WB, 1999b page 15)

However, this comment was restricted by time scales, as the document was published in 1999 less than two years after the outbreak of the crisis. Firstly, it is possible that the impact of the crisis on health conditions had not yet materialised. Secondly, it is likely that during the time of the evaluations, the availability of health care data was limited. As a result, the validity of such comments is questionable.

Analysing the health indicators using limited national level information such as first, second and third degree malnutrition, life expectancy, daily calories supply, daily protein supply and mortality rate (see table 3.6), it was found that the majority of the indicators continued to improve after the crisis but with some interruption in their advancement, particularly in 1999. For instance, the infant mortality rate per 1,000 births reduced from 7.2 in 1995 to 4.9 in 1998. However, the rate drastically increased back up to 6.6 in 1999. Another example is the expectation of life at birth which steadily increased from 66.4 and 71.7 years for male and female in 1995 to 67.0 and 72.0 years in 1998. Thereafter, the life expectancy for both male and female declined in 1999. Daily calories and protein supplies also portray the same picture of an apparent lag in the adverse impact on health conditions caused by the crisis.

Table 3.6: Health indicators (1994-1999)

Indicators	Unit	1994	1995	1996	1997	1998	1999
Infant mortality rate	Per 1,000 birth	<i>na</i>	7.2	<i>na</i>	<i>na</i>	4.9	6.6
Expectancy of life at birth (male)	Years	<i>na</i>	66.4	<i>na</i>	<i>na</i>	67.0	66.5
Expectancy of life at birth (female)	Years	<i>na</i>	71.7	<i>na</i>	<i>na</i>	72.0	70.8
Daily calorie supply	Per capita	<i>na</i>	2,382	<i>na</i>	<i>na</i>	2,430	2,411
Daily protein supply	Per capita in grams	<i>na</i>	55	<i>na</i>	<i>na</i>	55	53
Underweight children in school	% of relevant age groups	12.5	<i>Na</i>	8.25	11.8	12.3	<i>na</i>
Infant weight at birth lower than 2,500 kg	% of total birth	8.0	8.1	7.9	8.5	8.9	<i>na</i>
Pregnant women with anaemia	% of total pregnancy	14.1	13.4	12.9	13.0	13.8	<i>na</i>
First degree malnutrition	% of relevant age group	12.4	10.9	9.7	8.5	7.9	7.7
Second and third degree malnutrition	% of relevant age group	0.82	0.73	0.63	0.54	0.53	0.48

Source: MOPH 2001 and 2000, UNESCO 2000 and 1998 (*na* is not available)

Gender-segregated information with regard to health is not currently available and it is therefore difficult to establish the gendered differentiated impact of the crisis on health conditions. However, Table 3.6 reveals that the number of pregnant women with anaemia increased immediately after the outbreak of the crisis in 1997. This increase occurred immediately after the crisis without any delay period. It could therefore be concluded that women were the first to suffer from the increasing costs of the health services. Also, amongst children, cases of first, second, and third degree malnutrition showed positive indications that children's health was not suffering through the crisis and adjustment periods. This may suggest that households were prioritising children's health throughout these periods of time.

Impacts on education

It has generally been argued that, like health condition, the quantity and quality of education, and especially that provided by the public sector, has a close link to the composition and level of associated government budgets (Cornia, et.al., 1989; Commonwealth Secretariat, 1991). It was expected that the cuts in government spending, under the stringent fiscal policy during the economic crisis, would cause a negative impact

on the education of the population. Baden (1996) noted that not only does the level of the budget determine education conditions, but also the efficiency of the service delivery is affected.

As previously presented in Fig. 3.21, overall public spending on education in Thailand has steadily increased without interruption, even during the crisis and adjustment period. However, a breakdown of spending reveals that the actual government budget for education was curtailed by 9% in the fiscal year 1997/1998 (WB, 1999b). The reduction was claimed by the government to be carefully considered and clearly specified (*ibid*, 1999b). The cut was concentrated on new investment, particularly in construction projects, the freeze on new personnel recruitment and the reduction in budget for materials and teaching aids. Nevertheless, the government injected extra spending on education under the social safety net programmes, supported by the WB, ADB and Organisation for Economic Cooperation and Development (OECD). This injection explains the rise in total government spending on education.

Educational performance indicators, such as the illiteracy rate and gross enrolment ratio in primary and secondary schools during the crisis and adjustment period continued to improve. The government claimed that this was due to extra spending and social safety net programmes having been implemented in the education sector. These programmes included student loans and free scholarships, which were estimated to have helped more than 200,000 students by the year 1998 (WB, 1999b). As can be seen from Table 3.7 below, the illiteracy rate continuously declined. The male illiteracy rate declined from 3.6% to 2.8% between 1995 and 2000, while the female illiteracy rate reduced from 8% to 6% over the same period.

Table 3.7: Illiteracy rate (percentage) of population aged 15 and over (1980-2000)

Year	Illiteracy rate (%) of population aged 15 and over		
	Total	Male	Female
1980	12.6	7.7	17.4
1985	9.8	6.0	13.5
1990	6.6	4.4	8.8
1995	5.8	3.6	8.0
2000	4.4	2.8	6.0

Source: UNESCO, 2001

The gross enrolment ratios for both male and female steadily increased. Table 3.8 reveals the gross enrolment ratio at the different educational levels. While the primary and secondary levels gross enrolment ratio continued to increase during the crisis, the tertiary level enrolment ratio slightly decreased³⁵. UNESCAP (1999) claimed that the increase in enrolment in primary and secondary education could be explained by two main factors. Firstly, the expansion of compulsory education from 6 to 9 years in 1992 and to 12 years in late 1997 encouraged students to stay in school. Practically, this compulsory education meant free education for children of relevant ages in some selected public schools. Secondly, it was claimed that the special social safety net programmes, such as free school vouchers and student loans, helped to cushion the possible negative impacts on education (WB, 1999a; 1999b) though many authors have been critical of the programmes' limitations.

Table 3.8: Gross enrolment ratio (1993-1997)

Educational level	Gross enrolment ratio (%) of relevant age group				
	1993	1994	1995	1996	1997
Primary level	94	91	86	87	89
Secondary level	42	48	54	56	59
Tertiary	19	19	20	22	21

Source: UNESCO, 2001

Despite the improvement shown by the education indicators, the sample survey conducted by the Office of National Educational Commission (ONEC) uncovered a different picture. It was found that the dropout rate of students at all levels rose between 1997 and 1998, as shown in Table 3.9. The highest increase was observed in the higher secondary and vocational education levels, where the rate increased from 3.4 to 3.8% over this period. AUSAID (2000) observed the sharpest rise in drop out rate in the Bangkok area and explained that this was caused by reverse migration of families. Apart from the increase in the dropout rate, the ONEC also found a decline in transition rate³⁶, particularly in the year 1998 to 1999.

³⁵ This continuous improvement in the educational indicators may stem from the possible lag in the impact at ground level as previously discussed in impact on health conditions.

³⁶ Transition rate is the percentage of students transferring to the next level of education such as from primary to secondary, or from secondary to higher secondary and high school.

Table 3.9: Drop out rates of students (1997-1998)

Educational levels	Drop out rate (%) of total students	
	1997	1998
Primary	2.4	2.5
Secondary	3.2	3.6
Higher secondary and vocational	8.2	9.0
Total	3.4	3.8

Source: ONEC, 1995-1998, 1996-1998

Oxfam (2001) quoted a small survey illustrating a negative impact of the crisis on education. This survey was carried out by Global South (GS), a NGO based in Thailand, and focused on small areas in the north and northeast of Thailand. The survey found that the dropout rate in 1998 had tripled from that in 1996, with a total of 676,221 children leaving schools in the areas. Damrong et.al. (1998) claimed that this drop out rate could have stemmed from the lower purchasing power of parents and the financial difficulties parents faced during the economic contractions.

As previously discussed in the framework chapter, the lower purchasing power of households inevitably affected educational investment decisions. Many authors noted that the substitution of expensive private education by relatively cheaper public education was evident (WB, 1999b; UNESCAP, 1999). Parents withdrew children from foreign universities or educational institutions because the increase in tuition fees (resulting from the devaluation) was too great to bear (Somsak as quoted in UNESCAP, 1999). The government was also facing the negative impacts of devaluation. Existing scholar students abroad were asked to find part time work, if necessary, when the government reduced their monthly stipend by 10% in the year 1998. The number of new scholarships for foreign institutes was also drastically decreased from 500 to 100 scholarships per year between 1995 and 1998.

The shift from private to public education put a strain on the limited resources of the public sector. UNESCAP (1999) found that budget restrictions led to a reduction in the amount of teachers and equipment, such as computer and laboratory apparatus. Public schools could no longer afford to hire specialist teachers. This lack of educational personnel as well as teaching aids led to a decline in the quality of education provided. Moreover, it was claimed that as teachers were also facing the economic downturn they too were under

financial pressures. Associated strains on teachers may have affected the quality of teaching service provided.

The quality of education in the private sector, which previously was presumed higher than the public sector, also suffered. It was found that private schools and institutions encountered financial liquidity problems because of mounting unpaid tuition fees. The delayed payment of tuition fees increased more than threefold, from 517 million baht in 1997 to 1,889 million baht in the following year. Belt tightening measures were implemented first in private schools in response to these liquidity problems. This included cuts in staff numbers and reductions in spending on teaching aids, which inevitably affected the quality of education.

Conclusion

This chapter has outlined the crisis situation in Thailand and the surrounding circumstances and contributing factors. The two main lines of arguments that have been presented contend 1) that the crisis was homegrown, and caused by previously existing fundamental weaknesses, or alternatively 2) that the crisis was instigated due to a flaw in the international financial system. Though it is possible that a combination of these factors was responsible for the crisis in Thailand.

The chapter then discussed the ESAPs and the integral adjustment and restructuring of various economic sectors as well as the implementation of various strict policies. The programmes included the much needed restructuring of the financial system. The strict monetary policies, such as high interest rate and credit squeeze, were also put in place to slow down the over heated economy and stabilise the exchange rate policy. Under the fiscal policies, different measures were put in place to raise the national income. These included increasing government income by raising the import tax of various products and increasing VAT while cutting down public expenditure. The stimulus programmes, which were a new feature compared with previous ESAPs, were used to prevent a deepening of the economic recession and help speed recovery. The Social Safety Net programmes were also introduced in an attempt to mitigate the adverse impacts on vulnerable groups.

In order to further assess the impacts of the crisis the chapter mapped out the routes by which macro shocks may be translated into impacts on Thai people. The analysis indicated

that the shocks can be translated by two main mechanisms of market and the government service provisions. Thus the impact is analysed through the four stated channels of changes in employment, income, expenditure and health and education conditions. Evidence assessed according to this framework has revealed that people on the ground have experienced disparate adverse impacts of the ESAPs. Clearly, employment was negatively affected, though the impact proved to be unevenly distributed and hit hard on particular sectors such as the construction and finance sectors. Although existing agricultural businesses helped to cushion the negative impacts of the reverse migration from urban areas, the capacity for absorption was limited. Private workers were among those who were hardest hit by the crisis, while public workers, to a certain degree, were safeguarded by government policies.

The economic crisis and the ESAPs also generated a negative impact on income levels. A decrease in income can be observed in all industries except the service sector at the beginning of the crisis. Another effect of the economic crisis and the ESAPs can be observed through the changes in prices. The chapter presented a picture of significant increases in the prices of most products. Among all products, prices of rice, the most important product as a staple food, fluctuated most and drastically increased during the beginning of the crisis. Increases in prices also imply increases in production costs for producers, which consequently will affect the price of end products. However, to analyse the impact of the changes in price on an individual basis requires more segregated data than was currently available. However, the drastic increase in CPI at a time when the nominal incomes for people decreased suggests that real income generally declined. This decline may have subsequently led to a deterioration in the living standard of people on the ground.

Despite incomplete data, changes in health and education conditions appear to suggest a smaller adverse impact than initially anticipated. These changes are reflected in the behaviour of households concerning their health and education service usage. It is clear that there was an increasing number of users switching from the more expensive services provided by the private sector to the public ones. It is believed that this shift may have created resource tensions in the public sector at a time when the budget provided by government was restricted. The additional social safety net programmes and especially the

free public health care for the poor and the student loans, proved to be helpful but too limited.

So far, I have described the vulnerability context of development trends and economic shocks in Thailand. Evidence clearly points to these development trends and shocks affecting people's lives in terms of both livelihood strategies and outcomes. While the development trends following the western development patterns brought people closer to the market than ever, this worked as opportunities for some but constraints for others. The shocks produced by the crisis also created impacts that were felt to differing degrees by different social groups. The exploration of this vulnerability context provides an important foundation for the study to follow and particularly in understanding the changing livelihoods of the actors involved.

CHAPTER 4

Research methodology

Introduction

The core aim of this thesis is to examine how individual actors in two communities experienced the impacts of the previously described shocks and to explore how they responded to the shocks. The two field studies were undertaken during a total time of 11 months spent in Thailand, which was broken into two periods. The first phase, which lasted only for 1 month, started at the beginning of October 1999 while the second phase lasted for 10 months from March 2000 to January 2001.

The aim of this chapter is to describe the fieldwork process, including the procedures of locating the field sites, the research methods used and how I obtained access to the required data and data sources.

Sarantakos (1998) made clear that social science research and its fieldwork process is complex, dynamic and filled with intense experience and wide ranging dimensions. Devine, also, took a very frank approach in the way he wrote about his research process, stating that he would “explicitly acknowledge the highly fragmented, often contradictory and inevitably difficult nature of my research process” (Devine, 1999 p.109). Costa (2001), on the other hand, took a feminist approach in writing her fieldwork report and explicitly located herself (her ideas and her feelings) in her work. She argued that the relationship between researcher and researched is based on power relations and, far from being static, is constantly contested. Costa (2001) claimed that this contestation influences how the researcher constructs and changes his or her knowledge.

I much agree with Costa (2001) and will argue that the identity of the researcher and researched are not static and can be changed both forcibly and voluntarily according to the situation and context. This fluidity of identities has an influence on how data can be accessed and from whom it can be drawn. Moreover, I would also argue that the researcher

is located in a certain vulnerability context and they too are responsive to their surroundings.

Like that of Devine and Costa, my research topic is highly complex and dynamic and so I have chosen to take a similar approach to Devine in explaining my research process. I will explain it as it occurred, acknowledge its difficulties as well as describe my responses if there are any. My intention is to draw on all experiences, as I view this research project as a process of learning not only for myself but also for those who may read this thesis. It is hoped that the description of this methodological reflection may thus be of use for those undertaking similar research in Thailand.

The chapter starts with a reiteration of the research objectives and questions. It moves on to discuss the dynamic process of locating and relocating the field sites. This ‘relocating’ of the field sites arose for various reasons. The most important one was the renegotiation of the research with the emerging debates and local context. I will describe this process and explain why and how a new direction of the research was found. As the fulcrum of this thesis, the chapter will explain how I investigated and learned about the social ‘reality’ of the impact of the economic shocks and people’s responses to those effects. This discussion is based on the utilisation of the dual framework approach that employs the four channels impact analysis and the SLF, both as guidelines for data collection and as analytical frameworks. This chapter ends with my concluding methodological reflections.

Research objectives and questions

This thesis aims at understanding the different ways in which Thai people in general and individuals on the ground were affected by the shocks and at investigating how individuals responded to the shocks. However, this discussion can be made at different levels such as the macro level one, as presented in Chapter 3, or at the micro levels that will be the focus of the remaining chapters. There has been much discussion whether or not to document research for only specific cases or to try and make generalisations from the findings. Some may even attempt to balance both. Rosaldo, for example, expresses that “One hopes to achieve a balance between recognising wide-ranging human differences and the modest truism that any two human groups must have certain things in common” (Rosaldo, 1989 page 10). In this research, I attempt to do the same by depicting how people in general may have experienced the shocks, focusing on four areas of employment, income, expenditure,

health and education condition. At the same time, I treat people as individual actors when exploring how particular individuals, possibly with different gender, location or wealth statuses, may have experienced and employed different livelihood strategies in response to the shocks.

This thesis also aims to compare the impacts of the shocks and the way people responded to the shocks in two different geographical settings: Ban Wangmoon being a peri-urban community and Chomchon Hatanwa an urban slum. I will attempt to clarify the similarities and differences of the impacts and shocks felt by people in each setting. However, I do not pretend that these findings are comprehensive or give a representative account of all peri-urban villages or urban slums in Thailand. Neither is it possible to investigate all impacts and responses experienced by all the people in my study.

Having established this, let us remind ourselves of the four main research questions that need to be tackled by the research methodology later described:

1. In what ways have Thai people experienced the economic shocks and how are people residing in peri-urban and urban communities affected by the changes in economic conditions? Are there any patterns of similarity or differences both within and between these two selected communities?
2. Can different impacts be identified for different groups of people within the community segregated by level of market proximity, wealth/poverty status or gender?
3. How do the people residing in the peri-urban and urban communities respond to the crisis? Is there any similarity/difference in the patterns both between those communities and within the community?
4. Can different responses be identified for different groups of people within the community segregated by their level of market proximity, wealth/poverty status and their different resource portfolio and gender?

The dynamics of (re)locating the field sites

I spent one month in Thailand in October 1999 visiting four different sites with the purpose of locating two communities as case studies. The decision in selecting these two

communities at the end of the trip was based on criteria of (i) the manageable size of the communities (not larger than 150 households or smaller than 100 households), (ii) the traceable impacts of the shocks, (iii) the differentiation in geographical and socio-economic setting which determines possible differentiated impacts and livelihood outcomes (iv) other practical issues of language and accommodation. Although after the trip ended and a decision was made, on returning to do the actual fieldwork in March 2000 I discovered that there was a problem with one of the field sites earlier selected.

On my first visit, all four communities that I investigated were situated in a peri-urban location. Two were in the northeast while the other two were situated in the north of Thailand. All these communities appeared to meet the criteria previously described. However the two communities in the northeast were ruled out in the end for practical but rather important reasons of communication: I found out that I had insufficient understanding of the Northeastern dialect. Costa (2001), when undertaking her research in northern Thailand, expressed her frustration and concern at not being able to fully understand the local language. This, she claimed can have serious implications for how the researcher interprets data. I would also argue that it can have an influence on how the subject may present themselves, their story or lives knowing that one might not be able to understand fully. For this reason, I opted to choose the field sites in the north, where I understand the language and to a certain degree the northern culture. (I was born and have been living in Chiangmai for more than 20 years and only left Thailand for further education in the UK.)

One of the two communities chosen was Ban Wangmoon, a village located approximately 20 kilometres from Chiangmai and having around 134 households. From the first interviews with key informants some traces of the impacts of the shocks could be immediately discovered. For example, it was claimed that there was a lower demand for waged farm labour and an increased number of unemployed persons since the crisis³⁷. In fact, I chose this village because I already knew that the crisis and its impacts were felt in the village. This is because one of the villagers was a gardener of my parents whom my family knew long before this research project started. In some ways, having continuously heard him complain so much about the crisis I knew there were genuine impacts and

³⁷ Source: interview with Paw Luang Sriton, the village headman

perhaps, this was one of the inspirations for me to explore the impact of the crisis in this community. I also admit that having known and been close to this particular gardener 'Ruang' (who later became my host) influenced both the quantity and quality of the data I was able to gather. This issue will be discussed further later on.

Another important reason for locating myself in Ban Wangmoon was because Ruang offered to be my host for the whole period of my field study. In some ways, this arrangement gave myself and particularly my parents comfort. From my parents' point of view, I would be living with someone they knew they could trust. I admit that this could be criticised by some researchers for being far from bias free. However, the process was a product of the social expectation and defined relationship between daughter and parents. As previously discussed in Chapter 2, this relationship is a hierarchical one. Children in Thailand are expected to be obedient and respectful to their parents and follow their supposed wisdom. In an extreme case, parents may make orders for the child to follow. In my case, however, I saw myself not as a passive child but an active negotiator, my double identities as researcher and a young, single daughter allowed me to do this. Obviously, if I were born male, I would have had more freedom to go to places without the worry of my parents. But as a daughter, especially an unmarried one, in the Thai context, the choice was limited.

Another thing that can be learnt from this is the fact that Thai social values and expectations may work only in some areas (both geographically and in terms of issues). For example, my parents never once commented on my choice of residence or about whom I share a house in the UK where I am living thousands of miles away from home for a period of over three years. This may be because the social role of parents as knowledgeable figures only works where they have experience and knowledge. Despite Ban Wangmoon being chosen partly for reasons that are not directly related to the research questions, it is important to emphasise that the community also met the research-related criteria previously set.

It is also worth pointing out that at the start of this research, I was aiming principally to interrogate the gender-differentiated impact of the shocks and the varying response strategies of men and women. In doing this I originally decided upon using Ban Don, a rural village located in the Lamphun province, the neighbouring province of Chiangmai. This community had a strong women's group, which I thought would help in exploring the

issues with a possible gender-differentiation. Also, I previously came into contact with this community when I was a research assistant for an American PhD student from the University of Hawaii in 1998 (Costa, 2001). Being familiar with the village and the villagers, I therefore chose Ban Don as one of the two case studies. However, when I returned to the village to start the fieldwork in early March 2000, I found the village occupied by another researcher. A decision then had to be made whether to stay and continue the research or leave and find another site. Of course, having another researcher with whom to share collected data and work, as well as to discuss the interpretation, has its advantages. However, staying would also have placed a higher demand on the 'free' time of the villagers, which would have been taken up more with answering our questions. After all, the presence of the researcher within a site cannot be concealed in such a way that it does not affect peoples lives. For this largely ethical reason, I chose to find an alternative field site.

After abandoning the site in Lamphun, I started my field research in Ban Wangmoon and at the same time collected and explored more background literature. From this review of literature, it became clear that the debates on the crisis were being directed away from the discussion of the causes of the crisis (covered in Chapter 3) towards discussion of solutions for the crisis. Among many circles, one of the solutions being discussed was the idea of Buddhist economics first proposed by the 1998 Nobel Peace Prize candidate, the venerable Prayudh Payutto (The Nation Newspaper, 17 September, 1998). He stressed the importance of self-sufficiency in the sense that one should aim to produce mainly for ones own needs and not for profit/greed. However, he did not reject the involvement of actors in the market. Rather, he stressed that the involvement of people either as buyers or sellers, producers or consumers were to be strictly determined with an ethical standard or the middle way of involvement following Buddhist teaching (*ibid*, 1998).

This line of thinking was also emphasised by the community-based developmentalists and also the King, who promotes the self-sufficiency mode of production. Prawese Wasi (1997), Wittayakorn Chiangkul (1999) and Narong Petchprasert (2000) were all arguing along the same lines, that people became increasingly vulnerable if they were excessively involved in the market when they did not have a high level of bargaining power. In other words, the degree of involvement in the market and terms of relation with the market (bargaining power) determine the level of return.

The King gave a powerful speech addressing the self-sufficiency theory. He stated on his annual birthday speech on the 4th of December 1997 that

"I have repeatedly said that striving to become a 'tiger' is not our main concern. What is important for us is to have a decent standard of living and sufficient food to eat, as well as to maintain a self-sufficient economy. The key word, 'sufficient', here implies that one should aim at becoming self-reliant (AsiaWeek, 3 December, 1999)."

In fact, the King has proposed what he calls a "trisadee mai" or "new theory". Though the idea was not really new as he stated this theory once in 1985 following the first crisis, it was called a new theory because success cases who adopted this approach started to emerge among ordinary farmers, not just in the king's demonstration farms (Thailand Development Newsletter, 1997). One thing which is worth pointing out is that this theory is generally applied to agricultural production and emphasises the strong basis and maximisation of the use of natural resources in the sustainable manner for agricultural production. No evidence has proved that this new theory works and can be applied in the context of large industrial production, though it may be applicable to the home industry production, which has linkage with locally produced inputs.

According to this new theory, land was divided into different portions for growing different crops, including rice, fruits and vegetables, feeding poultry and keeping fish in a small pond. This theory can be seen as encouraging the diversification of production in which produce is mainly used for home consumption. Ellis (2001) stressed that the diversification of resources and livelihood strategy is highly valued especially if the diversification is on a voluntary basis. That is, actors will often choose to diversify livelihood activities to reduce risk at a particular time. With regard to market involvement, the King did not directly reject the engagement of people in the market as he also encouraged the selling of surplus produce. However, he has suggested that one should aim to minimise the cost of transport to reduce one's vulnerability and dependency on the market.

I would contend that the market is seen rather too negatively in this approach. Indeed, many can gain from the market. To what degree one can gain or lose from the market is generally assumed to be determined by resource stocks (wealth) and the ability to transform resources at the required time and in a desirable manner. Moreover, the position

and the bargaining power within the market also determines the outcome, as well as one's relation with the market. Narong Petchprasert states that

"In free market system, the economic freedom is dependent on the bargaining power. Whoever has higher bargaining power thus has more freedom in gaining their desired items at their desired time when comparing to those with lower bargaining power. Hence, the 'poor' in the free market system is less free than the 'rich' (Narong, 1998, page 289)."

The self-sufficiency theory inspired my interest in examining resource diversification and particularly the role of natural resources. Indeed, the role of the market also needs to be addressed and carefully examined. For this reason, I aimed at investigating how the proximity of the market played a role in how people are affected or respond to the shock. Still having to find a new field site, I therefore aimed to find a community with a different degree of proximity to the market and where households/individuals generally have a different resource portfolio to those in Ban Wangmoon.

Two months into my main fieldwork, I came into contact with many women's leaders through the Para-legal training project at the Women's Studies Centre, Chiang Mai University, where I worked voluntarily. I visited one slum community called Chomchon Hatanwa with an invitation from Mae Pang, the women's leader of that community. After several visits to different sites, I explored more the possibility of carrying out research in this site. This site was particularly interesting as Chomchon Hatanwa is distinctively different in terms of geographical and socio-economic factors to Ban Wangmoon. This urban slum is located near the Chiangmai city centre and, in terms of economy, none of the residents engage in farm production but tend to work as waged employees. A major characteristic of this community that was different to Ban Wangmoon was that the natural resource stock was extremely low and access to space was highly limited. The population of this community was approximately 132 households, though I was informed that the numbers fluctuated as people frequently moved in and out from the community. I was also told by people in the community that the impact of the crisis was particularly noticeable through the changes in employment of residents and the in and outward migrations.

Though there was a slight problem with finding accommodation for myself, as the slum community always has limited space, I was able to resolve this problem by renting a single room to stay within the community. Not staying within a household meant that it was not

so easy to integrate into the community, however, this may have had some advantages for neutrality in accessing data.

It can therefore be seen that the field site selection process was quite complex and was influenced by many factors. This includes the theoretical criteria for selecting ideal case studies, the process of negotiation between myself, my surroundings (parents) and Thai culture and the negotiation with the emerging issues in the field work.

It should be noted once again that although the two communities, Ban Wangmoon and Chomchon Hatanwa were selected as case studies in this research especially to examine the impact of shocks and responses of people, I am not assuming that those communities can be considered as representative of all peri-urban or urban slum communities. As Sessaiah stated “There was no such thing as a representative or typical village in a vacuum. Representativeness or typicality was determined by the purpose of study (Sessaiah, 1979 p.236).” Though the case studies may help elaborate on how the proximity of the market and differences in wealth status may influence the impact and response to shocks, one needs to recognise that there is a local context that is also involved.

Entering the sites

On my second return to Thailand on the 15th March, 2000, a week after my arrival, I went straight away to settle in Ban Wangmoon. On the first day I went to see Ruang, the man of multiple identities, as the village vice headman, my parents’ gardener and my host who was married and a father of two children. He had kindly agreed during the previous visit to be my host during my fieldwork. Ruang took me to the village headman so that I could give him the official introductory letter stating that I am a PhD student from the University of Bath wishing to carry out research in his village over the next 10 months. In fact, this was just a formality but it was something that people are required to do in such circumstances (see Buapan (2000) and Jawanit (2000)).

In fact, ‘Paw Luang’ Sriton the village headman was also already known to me from the interview on the previous visit. Hence, there was actually no need for an introduction. I found, somewhat surprisingly, that everybody in the village already seemed to know of my arrival, as during the way on foot from Ruang’s to Paw Luang Sriton’s house (approximately 5 minutes walk) people waited outside to greet me.

Although the formal letter was required to make my stay legitimate it also asserted a power structure through identifying my position in relation to the headman and the villagers. I had thus become one of the village members under his authority, though I may have been perceived as having little in common with the other villagers. The legitimacy of my stay was reinforced by an announcement the following morning on the 'wittayu mooban', the village radio. From my observations and interactions with the other villagers it was apparent that I was perceived as a guest who may need help and whom should be looked out for.

Entering Chomchon Hatanwa was a completely different story. I moved into a rented 3 x 3 m room in the community one afternoon. Before the move, Mae Pang also suggested that I write a similar letter of introduction, which I gave to Booh Peng, the community leader. He looked carefully at the letter while I sat down on the floor head lowered and he sat rocking his chair. Mae Paeng told me later that he was cautious because he previously had problems with government officials or tax collectors regarding land ownership. He was fearful that I was working for the government. Obviously, the atmosphere was initially tense and I was treated with suspicion before I had time to build the trust of community members. After careful scrutiny, Booh Peng made the announcement on the 'Sieng tam sai' or the community speaker straight away. The announcement was to inform (I am not sure whom as it was in the afternoon and almost every household member was out working or studying) of my presence in the community.

Looking back at both events of the presentation of the introductory letters, they can be seen as the legitimisation process of my stay and the pinpointing of my position within the communities. Failing to present Paw Luang and Booh Peng with the letter may have had a negative impact on my research since people may not have been as cooperative as they turned out to be.

Afterwards it occurred to me that the announcements in the villages were more for my comfort than to communicate and inform other people. In fact I discovered later that the speaker announcements were not the most effective way that news spread around and that people very rarely listened to them. The announcement speakers were set up under government sponsorship and were used to make formal statements to villagers that were often found to be irrelevant to their lives. I myself tested whether people knew what was announced and found that very few people actually listened. The most effective way that

news spread around was through word of mouth and gossip. This gossip became an important channel for collecting data as well as for triangulating it.

Research methodology

To investigate the impacts of shocks and the responses of the actors located in Ban Wangmoon and Chumchon Hatanwa, the scope and process of the field work, and the data collection therein, needs to be fully defined. As stated, the reality of the impacts of shocks and people's responses are broad, complex and dynamic but had to be addressed despite limited time and budget. I chose to set the scope of this study using the four channels framework and thus provide an impacts study which covers most areas of direct impact as discussed in chapter 3. Therefore, the field work involved data collection that addresses the conditions of employment, income, expenditure/prices, health and education before and after the crisis.

The other dimension of this fieldwork concerns the response of actors to the impact. Thus, information was gathered following the SLF framework previously described, which includes the vulnerability context of the people/community, their resource portfolios as well as their livelihood strategies and outcomes. Clearly there is an interaction between the impacts and the response, as response (through resource utilisation) can help to cushion impacts. These two dimensions are highly complex and cannot be completely separated. Moreover, the dynamics of their interaction are not easily revealed by aggregate data. For this reason, a number of individual case studies are used to shed light on this interactive process.

The following subsections describe the information that was gathered and from whom and how it was collected.

Four tier data collection

The data I gathered can be roughly classified as relating to four different levels as follows

1. Beyond community data: These include the secondary data of social and economic indicators before and after the crisis produced by independent or government organisations as presented in Chapter 2-3. Mostly, this data and information were collected from sources such as statistical record books, newspapers, publications,

books, internet, magazines and even the observation of signs and shops in Chiangmai. The data was collected primarily to present the wider vulnerability context and shocks in which the actors in the study may be located.

2. Community level data: The information gathered includes aspects of the history of the community, its geographical settings, its prevalent social rules/norms or culture, the classification of households into different wealth status and gender division of labour pattern and ideology. In doing this it may help to give a picture of the local context in which the villagers are located. The issues covered may have influences on the actors and to a certain degree define the position of people within the community as well as determining the livelihood construction of each individual.
3. Household level data: At the household level, the information on resource portfolios was gathered in order to understand how each household constructs their livelihood outcome based on their available resource stocks. Data on the impacts of the shocks was also collected with further data covering the diverse response strategies of households.
4. Individual level data: This was detailed information on the impacts of the shocks. The response strategies of individuals to the change in economic environment were also covered.

This classification of different levels of data was initially used as a systematic aid in accessing information. Much of this structure was prepared while in Bath prior to the fieldwork. It was found during the field work experience that this classification can be helpful in identifying data to be collected and the methods employed, however, in reality the data collection process is more complex and some types of data are highly interrelated and cannot be clearly separated into one group or another.

Research assistants: insider and outsider

Overall, four different research assistants were employed to help with this research, mainly to assist with the household surveys. Although it was preferable to employ assistants from within each community, one male and one female, this was only possible in Ban Wangmoon. The reasons for the local preference include the fact that locals are better able to triangulate information being gathered. They also have an ability to communicate and

explain things to the locals more clearly. The interviewer, I would argue, is as important as the interviewee in encouraging and stimulating the actor to be open and to be responsive to the questions. On many occasions, it also proved to be the case that the villagers felt on more level terms with the assistants and preferred to speak to them than to me. However, who is the most suitable interviewer is highly dependent on the issue, and on many occasions, my local assistant preferred for me to talk to those people within the community that they classified as “Kon yai kon to” or big people (people with high power).

Chomchon Hatanwa was a different story. People in this community were mostly occupied with full time work. Hence, finding someone who could assist me in my research work was problematic. In the end I opted to employ an undergraduate student who had previously carried out an independent study in this community. The other female who helped with this research was a new graduate from the Geography Department who had assisted a professor at Chiangmai University with social geographical research on this community. Although they may have lacked an ability to check and triangulate information in the way that the assistants in Ban Wangmoon could, they tended to be more neutral when probing information from respondents. I spent three hours training all the assistants in conducting the surveys. I then gave them a mock interview before accompanying them to their first two interviews. In doing this, I was able to ensure that the information was gathered in a consistent way and that it could be interpreted according to my understanding.

Background profile of the communities

The first task that I carried out was to accumulate some background knowledge on the communities. In order to do this, I employed a mixture of research methods that could collect a range of information types that could be used to construct a profile of each community. For example, the first task in both communities was a transect walk, aided by my assistants in Ban Wangmoon and Nong Jub (a local teenage girl in Chomchon Hatanwa). The walks started from the hosts’ house and were led by the locals. I asked them to show me what they thought were the important places in the communities. In doing this, I could not only start to familiarise myself with the community and get to know people, but also learn from the assistants places of significance, at least to them. For example, my assistants in Ban Wangmoon showed me the temple and emphasised its role as a centre for social gatherings and events. During this task, I also took advantage of opportunities to greet people along the way and sometimes throw in some questions. For instance, I asked

whether it was possible to tell how wealthy people were from the appearance of their house. The answer was rather different in Ban Wangmoon to Chomchon Hatanwa. In Ban Wangmoon, one of my assistants Jeab told me it is quite possible in current times that people with big houses also have a large debt. She suggested that whether one is wealthy or not involves many factors. These factors such as the amount of debt and savings, can be quite invisible to outsiders. The situation was rather different in Chomchon Hatanwa, where Nong Jub explained that only rich people could afford to refurbish their house because it is quite wasteful to spend money on property for which they still do not yet have legal ownership.

The data from the transect walk was used to make a rough map of the communities which was later compared with maps previously created by the communities approximately ten years ago. A few things had changed since that time, notably the refurbishment/conversion of some residences in Chomchon Hatanwa and the building of a new playground, community hall and temple hall in Ban Wangmoon. During the transect walk, I also took photographs of places, such as typical houses of the rich and poor, the school, temple, village hall and reading area as well as other places that assistants pointed out as important. Later on, this collection of pictures, as well as others I took later, became an invaluable tool to jog the memory. I also photographed special events throughout the time of the fieldwork. Selected pictures will be presented also in chapter 5 and 6, although many had to be left out in order to protect the identity of individuals.

To gain information on the historical background of the communities, I undertook a semi-structured interview of my key informants. The key informants were mainly elderly people within the communities, who had been living there longer and so had first hand knowledge of past historical events, as well community leaders who had an affinity with the governing side of the communities. During the semi-structured interviews (Appendix 1.1), the respondents were asked about the history of their community, how it was established, the infrastructure or common physical resources of the community and how people obtained access and control over them. Information on social institutions, such as the role of the school, temple and market, were also gathered. The aim was also to explore the social expectation of a range of individuals that could be later segregated according to age, gender, family role etc. It was hoped also that the information obtained would reveal the organisation (in terms of access and control) of household resource portfolio. Also general

information could be obtained concerning the livelihoods of people within the community. All of this data on the community background is presented in chapters 5 and 6 for Ban Wangmoon and Chomchon Hatanwa respectively.

Other key informants that were interviewed included people who were not residents of the communities but part of the key social institutions identified by the key informants within the community. These key informants included staff at the local health station, health practitioners at hospitals, local school teachers, agricultural suppliers and the agricultural bank official. However, the set of questionnaires was drafted differently according to each type of key informant, as shown in Appendix 1.2-1.4. The aim of these interviews was to establish the relationship between the stated institutions and residents within the community, their role in the community as well as to identify impacts that could be traced through these institutions. Moreover, it was possible to explore whether or not, and if so then how, individuals within the community may make use of their social resources, in terms of their relationship with these key agents and institutions.

Apart from the semi-structured interviews and transect walk numerous other participatory research methods were used during the course of the field work. These included map making, crop calendar making and focus group discussions on gender ideology and gender division of labour patterns. Self-ranking tasks were also devised in order to obtain a qualitative ranking for certain things, such as wealth, jobs and physical resources. Although my assistants attended during all tasks, I acted as the main facilitator which involved posing questions and explaining the task to be undertaken. Prior to the participatory research appraisal (PRA) sessions, I briefed my assistants on what would be carried out and I always debriefed with them after each session. The PRA was used not only to triangulate information on particular points previously researched by other means but also to encourage a discussion of certain topics. The participatory methods were all carried out with groups of men, women and children. This separation into different groups was to make the atmosphere relaxed and suitable for discussion of possibly contentious issues such as gender differentiation. All three groups had to carry out the same task on the same day. The participants were selected with the aid of the assistants together using background information on individuals tabulated from the household survey (to be discussed further). The general aim was to include individuals with a wide range of different backgrounds in each group, according to age, occupation etc.

Map making was the first task undertaken, which was also used as an ice-breaker for the group and the facilitators. A large blank piece of paper was given to each group with six different colour marker pens (to allow contributions from each participant to be distinguished). In doing this, not only can information be gathered on their view of the community geography setting but it is also possible to observe group dynamics and who are the more dominant and submissive member of the group. This information can then be used to help get information from the quieter group members in the subsequent tasks.

The focus group discussion on gender ideology and the gender division of labour pattern was a particularly interesting one from my point of view. To start with, I asked the group to discuss whether they thought men and women were equal. Almost all participants said they believed they were equal. When asked whether or not there is a gender division of labour within the community, they all stated that the work for men and women are the same and that they shared responsibilities. I next asked the group to imagine their normal day and to write down their activities from waking up until bedtime on pieces of paper and then to discuss the overall list obtained within the group. The lists obtained clearly showed patterns of differentiation for the three groups. They then explained that some work is specifically assigned to men or women and went on to say this was done according to the physical nature of the work. Tasks with a high strength requirement were usually assigned to men while work of an intricate nature was assigned to women. However they said that a man's job could also be done by a woman in the case of a man's absence. What this reflects is the confirmation that the beliefs and practice may not be consistent. Hence, information given concerning issues that are affected by ideology and social values cannot be taken at face value and must be interpreted with care.

The crop calendar making was only carried out in Ban Wangmoon for the obvious reason that cash crop production was not part of Chomchon Hatanwa livelihoods. The task involved spreading a large paper chart on the table with an empty calendar drawn on it as 12 monthly columns. The groups were asked to put the names/picture of crops, including vegetables, grain and fruits previously prepared by the facilitator, on the calendar to indicate what time of the year it was grown. The group was then asked to further discuss about what happened when there was a shortage of labour and how they dealt with it. In doing this, the pattern of crop production throughout the year could be ascertained as well as the corresponding cycle of employment within the community.

It was found during the fieldwork and the wealth ranking task that the wealth status of individuals was closely related to physical resources and jobs. Wealth, physical (or sometimes call material) resources, and job ranking tasks were required to be carried out in order to understand these hierarchical systems and the communities' perception of them (See appendix 4.4-4.6). The wealth classification in particular was also used as a guideline in selecting specific case studies for in-depth interviews, the aim being to select cases with different wealth backgrounds. During this task, the groups were asked to discuss the concept of wealth and what people needed to have in order to be classified as wealthy. The groups were given name cards for every household one by one (identified by the name of the household head and spouse) which they then put into the appropriate wealth grouping from those already classified. It is generally recognised that in Thai culture, people have a particular tendency to try and avoid conflicts (Mulders, 1997 and Matzner, 1998). Keeping face is also important and Costa (2001) has pointed out that the discussion of money and wealth is often an awkward process. For this reason, I chose to ask the groups to quietly sort cards into groups without mentioning the names of individual households. If, to my knowledge, a ranking of a particular household seemed inconsistent with the definitions they had previously given, then I further probed the reasons for the particular classification. I did this by inference, using identifying characteristics but without mentioning names, so that the reasons for the atypical ranking could be discussed. A score was given to each household according to ranking and the result was tabulated in order to divide the households into three wealth groups. Households were classified by most discussion groups as either rich, medium or poor except by one group in Chomchon Hatanwa which refused to do the task, claiming that all households were of medium wealth.

The material resources and job ranking were subsequently created because these topics often came up during interviews and informal discussion. Often it was mentioned that wealth can be inferred or observed from the type of job and material resources people have. For this reason, it is important to understand how the hierarchy of material wealth and jobs is structured. For these tasks I collected and cut out the pictures of various items in magazines, based on what people had already identified that they owned (from the household survey). I then asked them to play a game of 'suppose you are lost'. The groups was posed with three questions identifying different types of importance of resources in terms of necessity, convenience/luxury, and as a status marker. To obtain the job ranking I asked the group to brainstorm all the different jobs that people have and then asked them to

rank them from the most desirable job, in terms of status, to the lowest. The results of these ranking tasks confirmed that the wealth status of individual actors is closely related to the two factors of what job and what kind of material resources they possess.

The individual in household context data collection

The concept of the 'household' has always been a subject of much discourse and discussion. Casley and Lury (1981) attempted to generalise the household concept for developing countries. They claimed that it comprises a person or a group of people, usually blood-related, living under the same roof or compound and sharing a community of life and a common source of food (Casley and Lury, 1981). Although Thailand is considered to be a developing country, when comparing this definition with that used in the national scale household survey, differences can be identified. According to the Thai National Household Survey, a household is defined as "individuals residing in the same house and sharing food, regardless of which family each individual belongs to" (Limanonda et al., 1995). However, when applying this definition of households to the slum village studied, many compounds would be missed out. For example, those co-habitants who because they work shifts never have an opportunity to share food or eat together, but who share other resources and responsibilities such as bills and rent, would not be included.

Evans (1989) proposed that in fact households cannot be universally defined but rather the definition of household should be tailored to individual countries or even cultures. She claimed that this is because the household comprises a complex inter-relationship of people. These complex relationships are to a certain degree determined by social norms and values. For this reason, my definition of household takes into account the context of the communities studied.

I define *krua ruan* or household as a group of people who are living under the same roof or in the same defined compound. These household members do not need to be blood-related but share certain resources and responsibilities such as meals, payment of rent and utility bills. A household in this definition does not include people who are blood-related but permanently living away from the compound. Although those blood-related members living permanently away from the compound are not counted as household members, any linkages such as remittances or other kinds of support, if existing, are accounted for under material and/or possible social resources.

To gather household information, a set of household survey questionnaires was designed prior to my first departure to Thailand. It was tested out in a small trial and then readjusted after returning to Bath. All questionnaires (household survey, semi-structured interview with key informants and guidelines for in-depth interview with case studies) were designed in English and then translated into Central Thai (see Appendix 1-3). The household survey questionnaire was designed for obtaining specific household information as well as other information about individual respondents. Some adjustments were also carried out after the field site was relocated, in anticipation of the different setting of the urban slum. Face-to-face interviews were used to complete the questionnaires to ensure the required quality and detail of responses (as suggested by Denscombe, 1998).

The household survey interviews were undertaken with help of my four assistants. It was decided that the surveys would cover every single household in each community in order to avoid possible problems of choosing a non-representative section. With respect to the respondents, the original plan was that the questionnaires would be used with household heads and their partners in order to avoid gender bias and also to triangulate the information given. However, due to time and budget constraints, it was only possible to use one questionnaire per household. Which household member would be the respondent was left up to the household, although some criteria were set. Firstly, the respondents could be either male or female although the ultimate aim was to have a roughly equal number of male and female respondents. Secondly, the respondents had to be over 18 years so that they were not too young prior to the time of the crisis. Thirdly, the respondents did not need to be the household head.

The survey questionnaire was divided into five sections concerning (i) household demography (human resources) and members' main activities (households' livelihoods) (ii) household resources including natural, physical, financial and social resources (iii) household income (iv) household expenditure and (v) four channel impacts of the economic crisis and the ESAPs. The household demography questions gather data on human resources within the household, while the household resources section was designed to collect information on the stock of physical, financial, natural and social resources. Sections three and four of the questionnaires were used to gather information about the flow of physical resources, especially the financial aspects of the household in terms of income and expenditure. The last section focuses on the individual rather than

household level and explores the impacts of the economic crisis on the grounds of changes in employment, income, expenditure and health and education condition. An exploration of the individual's perception of the impact in general and the gender-differentiated impact of the economic crisis and the ESAPs were also covered.

Chronologically, the questionnaires were carried out in two parts, with the last four sections completed approximately two months after the first section. The respondents of Parts I and II did not need to be the same person or the same sex. In fact, there is a positive aspect to having different respondents in that data collected can be cross-validated.

There are various other reasons behind this partitioning of the questionnaires. Firstly, during the piloting of the questionnaires, each interview would take up to 230 minutes. The researcher discovered that respondents were usually tired after the first 60 minutes of an interview and could easily lose concentration. Secondly, people often feel awkward and defensive when asked personal questions about income and expenditure. This can be considered as “la larp la luang” or intrusive and it is possible that the respondents may refuse to answer the questions. Furthermore, the accuracy of answers about sensitive issues, such as income and expenditure, in the first meeting can be diminished. However, it is apparent that the respondents felt more comfortable discussing their household members in the first section and so a rapport was established that improved responsiveness in the more sensitive parts of the survey.

The first part of the interview concerning the household demography and member's main activities served two main purposes. The first was to break the ice between the villagers and the researcher. The interview was also a good way of introducing the researcher to the villagers. The second objective was to learn about the household human resource portfolio. The Part I interview also provided useful background for further probing in the second part of interview, particularly on the impact of the economic crisis and the ESAPs.

Questions regarding the number of household members as well as all the names of the household members and their human resources, including age, sex, special skills, education, health condition, were asked. The respondents were also asked to provide information on the current main activities of household members. Then the researcher traced back all the activities that each household member had undertaken in the past ten years. This was aimed at creating a livelihood profile of each household member.

Part II of the interview covered household resources (mainly natural, physical and financial resources), income, expenditure, as well as the impact of the economic crisis and the ESAPs. Based on the household member profile gathered from Part I of the interview, the respondents were asked to indicate whether the income of each member changed since the year 1997. The reasons for changes of income were also sought. The household income management pattern was also identified with respondents asked to identify the contributions of each household member.

Household expenditure was classified into four categories, namely, production costs, food and consumption products, vehicle fuel costs and expenditure on utility services. The respondents also provided information on the household expenditure per month and how it was managed. The household representative was also asked whether, and if so how and why, there was a change in household expenditure pattern since 1997.

The section on the impact of the economic crisis and the ESAPs was aimed at surveying the villagers' perception of the crisis, focusing on the changes in employment, income, expenditure and health and education. Open ended questions such as "Have you ever heard of the crisis?" or "Do you know what the ESAPs are?" were included. More direct questions, such as "Have you been affected by the economic crisis and the ESAPs?" were also asked. To be more specific, the respondents were asked if "any of their household member's employment, income, expenditure, and health and education was affected by the economic shocks". Additionally, some gender specific questions such as "Do you think that men or women are more affected by the crisis?" and "Do you think men or women are better at surviving the crisis?" were also posed. With regard to the impact on health and education, the respondents were asked whether any of their members had dropped out from school after 1997 and whether they thought any of their member's education was affected. With regard to health, the respondents were asked whether or not their health had been affected and also whether they had changed the means of receiving medical treatment or whether or not the quality of the treatment received had changed.

Case studies

To understand how individuals/households experience/respond to shocks and how a particular livelihood outcome comes about needs careful scrutiny. One first needs to understand the individual's vulnerability context as well as the structure that shapes their

resources and the mobilisation of their resources. It would be very difficult to capture a full picture of these complex issues using the household survey method. Moreover, it is likely that although people are being affected by the same shocks and located within the same structure, they may experience the shocks and respond to them in a different manner. An approach is required that can identify if such differentiation is related to the differing levels of resources and the quality of resource portfolio possessed by individuals. The approach must also be sensitive to the particular context of the individual and their dynamic behaviour as an actor who is responsive to changes.

To probe these issues and the factors involved, case studies were used that focused on six individuals in Chomchon Hatanwa and five in Ban Wangmoon. The reasoning and criteria involved in choosing these households will now be outlined. Firstly, the individuals were selected to be in households from a range of wealth ranking groups. This was so that information could be obtained on how different levels of quantity and quality of resources owned by individuals/households play a role how they responded to the crisis and cushioned its negative impacts. Secondly, households with different degree of market dependency were chosen so that the role of market proximity in determining the impacts of shocks on household and also how it determines the livelihood outcome could also be investigated. Thirdly, two household with all same sex members were selected in order to investigate the situation where normal gender differentiated roles cannot be adopted. It was hoped this would provide useful comparison and triangulation on gender differentiated affects of the shocks as well as to more fully examine how responses to the crisis related to gender and/or gender roles (this point will be fully discussed in Chapter 7). Again, it should be stressed that people from different backgrounds are not assumed to be representative of their social groups, but rather the case studies are used to reveal how actors are able to respond to the crises within their own specific context.

In the case studies, particular emphasis is placed on trying to understand how individuals attained their livelihood outcomes through means of resource usage/mobilisation. On the methodological front, the tangible resources such as physical, natural, human as well as financial resources are relatively easy to collect data on and most can be covered by the household survey. However, the less tangible resources such as social resources are highly problematic and more difficult to assess. I therefore investigated this category by employing a mixture of methods, including interviews, both semi-structured and informal

ones, and also careful observation. The data collection in this category is made difficult as the individual tends to have social arrangements that are difficult to fit into any general pattern or classification; hence it is necessary that individual cases are analysed in terms of their specific context. Social resources, in particular, appear to have widely varying qualities and social relations are difficult to rank in terms of quantity or importance. The varying degree of importance can only be identified by the individuals themselves by reflecting on their ability to exploit at a desired time. For example, some may rank their relation with kin higher than with government officials whereas for others their ranking will be the other way around. To understand the role of social resources also requires careful analysis of individual cases.

I approached each case study without the help of my assistants. By the time I started to carry out the in-depth interviews I had been staying in the community for some months. Before each interview I clearly clarified its purpose, particularly when it needed to be taped. When my respondents felt uneasy, I kept my tape recorder away and instead took notes. In all, I recorded approximately 50 hours of audio tape, most of which was obtained from the case study interviews and the other semi-structured interviews with key informants. Though the prepared set of semi-structured questionnaires (Appendix 3) was used to guide me through the interview and ensure certain required information was obtained, some parts of the interview, particularly those on gender, were discussed more on an ideological level (as I stated, I cross checked this information with the PRA findings). I found that much useful information could be drawn from informal interview/discussion in the form of a phenomenon discussion/interview. This means that the line of discussion/questioning is related to recent incidents that perhaps provoke honest reactions and reflection. Under these circumstances it is often possible to get more detail information and people are more willing to discuss matters in depth.

Methodological reflection

Doing gender research in a conflict avoidance society

Even after there was a change in the field sites I was still determined to investigate gendered impacts of the crisis and responses to the shocks. As it turned out, this particular dimension of the research proved to be highly problematic. It became apparent that whenever I asked about the gender impact, most of the replies would be that there was no

gender-differentiated impacts. If I probed further and asked why, people (men and women) would often reply that they were 'equal and the same'. Many writers e.g. Andrew Matzner (1997) and Neil Mulders (1999) have suggested that this typically unconflictual response can be pinned down to the character of Thais as a conflict avoidance society. I tend to agree with their statement, but only to a certain degree. Conflict avoidance does not mean that a conflict does not exist or even that conflict is always avoided. This seems to depend on the issue concerned and with whom the conflict occurs and the further discussion of this will be provided in Chapter 7. For example, if the conflict concerns financial dealings with a landlord, then the villagers clearly feel able to discuss the issue freely with me, although not with the landlord themselves. Why issues of gender are different will be discussed in more detail in Chapter 7.

With regard to exploring the gender differentiation impacts, what I found useful in investigating this issue was to use a phenomenon-based interview and direct observation, that is, to undertake an interview after a relevant incident or event occurs. This is particularly effective as people feel more open to talk about a concrete example or incidents that have occurred. For example, I interviewed Porn after her husband sold their crops and gave her a share of the money for the household management. She complained that she received the same amount of money although the price of the rice had gone up. Using this as a starting point, I went on to ask about other income and expenditure and how the money was split between her and her husband. The conversation went as far as her view of her relationship with her husband.

This problem of conflict avoidance may also be relevant to the focus group interviews and much of the participatory research methods employed. It was decided that both tasks would be undertaken towards the end of my fieldwork process. This is because I had already gained sufficient knowledge about the villagers and a basic understanding of their conflict avoidance culture so that I could facilitate the task more effectively. For the focus group interviews, one of the most important things in determining whether the interview will work or not is the participant selection process in which I received very useful help from my assistants. I chose to do focus group interviews on particular issues such as the impact of the economic crisis and the gender inequality/gender division of labour, as well as part of the wealth ranking and material ranking. I tried to involve a wide variety of participants in terms of background and encourage them to speak equally, although this

was not always easy. When it came to issues that were particularly sensitive or contentious, I would invent scenarios using a fictitious name and event, although they usually came from a real event which I think everybody knew about. The participants seemed to respond well so long as they thought the participants were not referring to him/her. To tackle gender issues I separated the participants into male and female groups in order to create a sense of group-belonging so that experiences could be more openly shared, as well as to avoid direct confrontation between men and women.

For the wealth ranking task, I initially asked the participants to discuss what they thought it meant to be rich and poor. They tended to reply in short and rather abstract ways, such as 'rich means people who have and poor means people who suffer'. I therefore attempted to obtain answers that were more substantial. I achieved this through the physical resource ranking task previously described which involved asking them to play a 'supposed you are lost' game. It is clear that for all the ranking tasks previously discussed, it was important to find a participatory method that did not provoke personal conflict that could hinder the process of getting useful information or even make the approach unworkable. The methods used here may not be applicable in all cases and so the researcher undertaking a PRA must be responsive to the particular context. For this type of research in Thailand the PRA approach is probably only workable if the researcher is already familiar with the subject and individual actors involved.

Native multiple identities and their fluidity

As a Chiangmai native I had no language barriers and few other difficulties with regard to food and to most extents culture during the field work. I found it relatively easy to integrate into the communities and there was no hostile reaction to me from any community member. However, my mixed identity as a single Thai woman with an urban middle class background having been educated abroad produced both obstacles and sometimes opportunities in my research. I think that particularly because I was a single woman, people would look out for me and offer me protection when needed. They always looked after me at social events such as funerals and when I had to walk home at night. Being from an urban middle class background, I was sometimes prevented from doing what the villagers' classified as hard work i.e. farming. I usually had to contend that I am a student and that I want to learn how to farm, but sometimes I had to give a promise that I would stop if I found it too demanding.

Being a woman prevented me getting access to certain social arenas. For example, I was neither allowed to go into the gambling ring at the funeral nor go to the karaoke bar at night because both places were considered male only arenas. However, I got access to information regarding these practices through my local assistant 'Noom'. Although being a woman excluded me from some areas it enabled me to get access to certain places, for example the temple kitchen, which was a good location to get information from informal discussion and gossip.

I found that the identity of individuals can be viewed as fluid and there is always space for negotiation. The ability to negotiate and shift identity can help greatly in achieving access to information, though being able to exploit this can depend on the circumstances. Not all the time was a shift in my identity voluntary. For example, when I was at the farm, I was asked to stop work because I was a woman but whenever I pleaded and explained that I wanted to learn farming because I was a curious student, the farmers would let me do it. However, this same tactic would not work for the case of me trying to enter the gambling ring. Sometimes, my identity was forced to alter by the villagers, as they too could be an agency of this change. One example is when they placed the middle class identity on me during the religious ceremony so that I would financially contribute more to the community.

So far, this chapter has described important aspects of the issues and dynamics of my field work. The information that was gathered has been described as well as the research methods used. This data collection included the household survey, participatory research methods, case study interviews, photographing, observation and informal discussions. Each method was discussed, and the difficulties in implementing them and how they were overcome. A particular problem that was highlighted was the difficulty in researching gender issues in Thai society. Although there is a fundamental problem with undertaking this type of research in Thailand, as it is often described as a conflict avoidance society, some techniques that were adopted to deal with this issue have been described. Other lessons that were learnt from carrying out this research in Thailand will be discussed in the conclusions.

CHAPTER 5

Ban Wangmoon: the vulnerability context, shocks and responses

Introduction

This chapter explores the impacts of the crisis and responses of individuals in Ban Wangmoon, the peri-urban community selected for this study. The chapter is divided into two main parts. Part I set the scene for the study and provides a contextual background of the community. It starts by discussing historical aspects of the settlement and then moves on to describe the transformation period for Wangmoon villagers following the changes in development policies since the 1960s. The background picture presented is further elaborated with details of household resource portfolios and villagers' livelihood constructions. Livelihoods are further examined in relation to two realms of activities: those external to the market and these involved with the market. Part I concludes with an exploration of the social organisation of the village, in terms of wealth stratification, gender ideology and gender division of labour.

Part II discusses the impacts on villagers of the recent economic shocks. The analysis focuses on the four aspects of the impacts previously specified i.e. changes in employment, income, expenditure as well as health and education conditions. This discussion aims to provide an overall picture of what, and to what degree, impacts have been experienced by villagers. The impact assessment is based on cross tabulation of the village survey results, supplemented with the data gathered by other research methods, as described in Chapter 4. It was found that the impacts felt by individuals can be wide ranging. Therefore, the chapter attempts to further investigate this differentiation and, in particular, to learn how individuals act as active agents in their response to the impacts. To investigate this differentiation of impacts and responses, I have selected five case studies involving individuals with a range of socio-economic backgrounds. The discussion of the case studies, together with the findings of the four channel impact assessment is aimed at shedding light on some of the factors that contribute to the different impacts experienced and the response strategies of individuals/household, as well as the dynamics therein.

PART I Ban Wangmoon: Community context

The establishment of the community

Ban Wangmoon is one of a number of peri-urban villages situated close to Chiangmai city, the province capital and main business centre of the north of Thailand (Map 1.3). Commuting to the city approximately 20 kilometres away can be undertaken by road, which takes roughly 20 minutes by car, or by boat, which is no longer practised. Motorcycle taxis are a common means of transportation from the village to the Mae Rim District, where people transfer onto a 'Song thaw' (pick-up taxi) to continue their journey to Chiangmai City centre. These services run frequently (hourly) between 5 am and 8 pm every day, or as prearranged.

I was told by the old people in Ban Wangmoon (Oui³⁸ Ta aged 83 and Oui Pan aged 76) that the village was established around the early 1800s. The name of the village "Wangmoon"³⁹ originates from a tree called "moon" situated on the Ping riverbank in front of the current village temple. As the story goes, the very first settlers were commuters travelling along the river Ping who got stuck at the "wang" or whirlpool caused by the "moon" tree. As commuters had to stop and spend the night there on many occasions, a permanent settlement eventually arose. Asking the villagers why they thought their ancestors set up the village here, Oui Ta, among many other people, explained that it was purely fate. In his own words:

"It is fate that we are here. You see, our ancestors having been shipwrecked here is no different from somebody having a car accident. By "karma"⁴⁰ it happens. It is all predetermined."

³⁸ Oui is a pronoun and prefix used before the name of elderly people in the north. In Thailand, this type of prefix is highly important and is necessary to state the status of the speaker. The prefix used depends on age, gender and relationship and are used to indicate the seniority relationship between the speaker and the person spoken to. In Ban Wangmoon, I always addressed people with these prefix gauging their age relationship to myself.

³⁹ Ban means house. In Thai administration, a collection of ban makes a mooban (sometimes shorten to ban), a number of Mooban make up a Tambon or sub-district, which falls within an Amphoe or district.

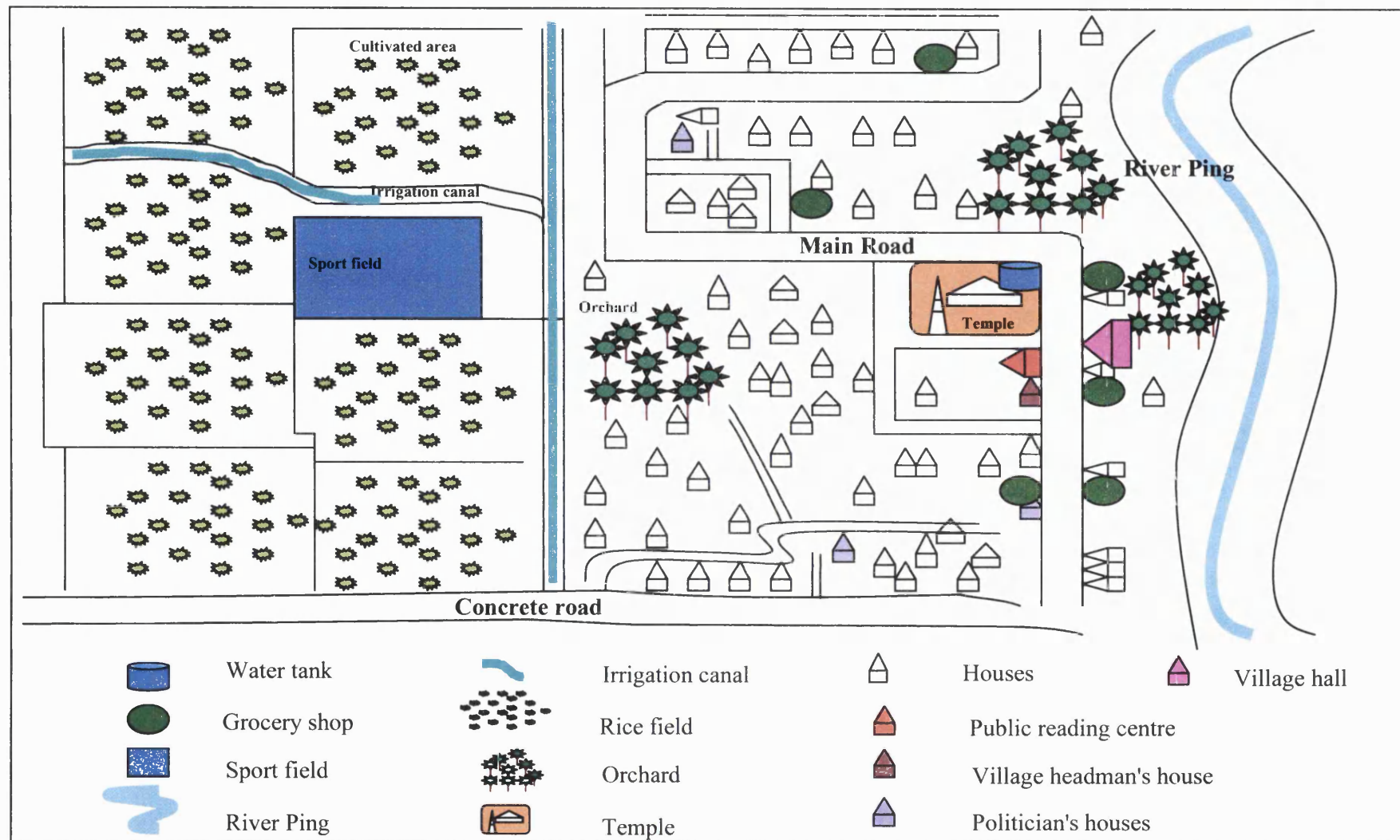
⁴⁰ According to Saeng Chandra-ngarm (1999), a Buddhist philosopher and Professor of Buddhism at Chiangmai University, Karma is the law of cause and effect that operates in the life process of sentient beings.

Although the locals may use this Buddhist explanation for the village's establishment, from my observations, the village is located in a strategically good location that has a rich endowment of natural resources. Being situated along the river Ping, for example, ensures that the village is never short of water for farming or consumption. The river also has numerous natural sources of food. The dense natural forest of "Pa pae" located just outside the village (half a day trek on foot) also provides an important natural source of food and wood for construction (physical resources). Clearly, this rich endowment of natural resources was originally an ideal basis for Ban Wangmoon villagers to build their livelihoods, particularly around agricultural production.

From informal discussion with the elderly villagers, farm production within the village around 70 years ago could be considered as subsistence based. Enough food was produced for consumption so that villagers did not need to rely on outside sources. Natural food sources also helped maintain this self-sufficiency. Rice production, the main livelihood of the villagers, was dependent on three main factors of soil quality, water supply and available labour. In those times, rice was considered a precious commodity or "Kiem". Although rice produced in Thailand was traded internationally at that time (following the Bowring treaty), Ban Wangmoon did not produce enough for sale because of the limited number of workers and the dependency on natural rainfall constraining crop production to only one harvest per year.

Although the villagers claimed that the community was entirely subsistence based, this was not strictly true. A trading system can be traced both within the village and with outsiders. Oui Ta explained that rice was usually used in exchange for other necessities, such as cloth, seasonings (salt, garlic and shallot) and medicines. Villagers would carry sacks of rice to Maerim market for exchange with other goods. Within the community, there were also some forms of exchange, the most common being the exchange of labour. This occurred most frequently during the land preparation and harvesting seasons. The exchange of rice with other products (e.g. fish) can also be traced especially during crisis periods caused by natural disasters such as floods.

Map 5.1: Ban Wangmoon village map



Development modernisation: From subsistence to cash oriented production

The import substitution strategy and the introduction of new crops

As part of the nationwide import substitution strategy of the 1960/70s, many measures were implemented and projects introduced. As previously discussed in Chapter 2, these included improvements to basic infrastructure and promotion of the export of agricultural produce and natural resources. In Ban Wangmoon, the construction of basic infrastructure such as road and rail road connections, irrigation systems and dams can all be claimed to have transformed aspects of people's lives. Firstly, these projects generated jobs and income for villagers as many villagers were involved in the projects. In the 1960s Oui Ta, for example, went as far as Pai district (80 kilometres north of Ban Wangmoon) to find routes for road construction. Many male villagers, he recalled, also joined the construction troops, especially during the dry season. Ruang's father was also involved in the irrigation construction in Maetaeng, a nearby district. This period perhaps marks the start of waged employment of the villagers. The new infrastructure also had important implications for agricultural production, especially the dam and irrigation systems. Perhaps the biggest change was that farmers could now farm during the off-season and so, for example, rice could be grown twice a year instead of only once. The new road connections can also be seen as bridging the gaps between communities and effectively giving the villagers closer contact with the market. The journey to Maerim market for exchanging produce, which used to take half a day, was reduced to just one hour by the piggy truck (the truck made of wood mainly used for transporting pigs). The shortened journey time and more convenient transportation also made the sale of excess rice produce more attractive and opened up possibilities for cash crop production in Ban Wangmoon.

As well as infrastructure construction programmes, agricultural promotional programmes started in the 1970s, such as the introduction of high yielding variety seeds, fertilisers and pesticides. This also had significant impacts in Ban Wangmoon. A new breed of sticky rice, GorKor 6, was introduced just after the construction of the Maengad Dam. This breed of rice was different from the local rice previously grown and had a much higher productivity. However, the schedule for cultivation and the resources required for production were also different. GorKor 6 gave twice as high a yield compared to the local variety but had to be

used with fertiliser and pesticide. From planting until harvesting took almost half the time of the local variety. The local rice generated approximately 30 tangs (600 litres) of rice in 6 months whilst GorKor 6 produces around 70 tangs (1400 litres) in 3-4 months for one rai of land (Office of Agricultural Economics, 1985). When asked whether the villagers could still grow the local breed, Oui Ta explained that it was no longer possible as the irrigation canal only releases water at the times that are suitable for growing government promoted GorKor 6 rice. The introduction of the GorKor 6 breed has also created changes in the division of labour based on gender. Land preparation, for example, used to be carried out by human labour (men and women interchangeably) and buffaloes that were later substituted by tractors. The operation of tractors was mainly by men and thus the task of applying pesticide and fertiliser, which used to involve both male and female labour, shifted more towards men. An overall consequence of the introduction of farm machinery was a decline in the role of women in agricultural production.

Overall, GorKor 6 rice was highly attractive because it provided a higher yield and therefore greater income. However, the need to use tractors for land preparation as well as fertiliser and pesticide also increased the requirements for financial resources in funding production. The lack of capital of many farmers necessitated the borrowing of money from informal creditors. In the case of Ban Wangmoon, money was often loaned by a Chinese capitalist known to villagers as Seang Chai. The system involved the hand over of a land deed (previously distributed by the government to encourage permanent settlement) and the signing of a contract. The terms of repayment involved an extortionate 5% interest rate per month and if the contract was broken the land would be repossessed. After a repossession, the farmer could still continue to farm the land but had to do so under a sharecropping system. Under sharecropping, the farmers kept 40% of produce while the landlord/lady received 60%. Under the sharecropping terms the creditor became both landlord and money lender. They stood to gain benefit both ways while putting landless farmers in a more vulnerable situation under the cash oriented crop production. Currently, there are approximately 20 households in Ban Wangmoon who are growing crops under this arrangement.

It is quite apparent that in Ban Wangmoon, the promotion of rice farming and the modernisation of agricultural production changed people's lives. On one hand the infrastructure and new modes of production can be seen as improving farm production and

creating more income for producers. On the other hand, this same mode of production led people to become more dependent on the market and particularly financial loans.

The industrialisation strategy: promotion of agro businesses and tourist industries

Under the 5th Social and Economic Development Plan in the late 1970s/early 1980s, Chiangmai was officially designated the capital of the north and a focus town for development. Many policies, especially the industrial promotion plans were implemented following the collapse of the commodity market in the 1970s. More physical and economic infrastructures were established, such as the export processing zone in the north and a new industrial promotion scheme (tax exemption) for factories opening outside Bangkok. As a consequence many factories were established in the Chiangmai province, the majority of which were agro-businesses located in the suburban areas. Within Maerim District, there were 5 pickled vegetable factories, 2 tinned baby corn and sweet corn factories, and 2 tomato sauce factories set up during the 1980s. These new businesses played an important role in the changing context of Ban Wangmoon villagers.

For many villagers, the establishment of these factories meant new job opportunities. Many women, especially the young and single, commuted to the new factories to work on the production lines. Their income was paid monthly but calculated on a daily basis. Therefore, income fluctuated seasonally as the factories were also dependent on the supply of seasonal agricultural inputs. During the post harvesting season of many crops, women were drawn into the factories to work on the production line peeling tomatoes, pitting fruits or picking and grading produce. Pawadee (1993) has carried out research in these feminised factories and suggests that most of these factories tend to be highly exploitative and women are unlikely to become organised and bargain with the employers for more agreeable terms. Moreover, women tend to stay in work under adverse working condition as their additional income is often crucial for their household survival (ibid, 1993). In many of the factories where Ban Wangmoon villagers work the conditions are poor. If an employee turns up late, large amounts of the wage are deducted. Going to the toilet is only allowed during a 15 minutes break taken once in the morning and once in the afternoon. Contracts are also agreed only verbally, which means that employment can be terminated at any time. Wages are set at the lowest daily wage allowed by the government with no further fringe benefits. However, for many women, working in these factories also gives them the opportunity to go out of the community and socialise with new people and most

importantly earn a personal income that helps them increase their autonomy.

The foundation of the agro-industries also changed the agricultural production in the areas around the factories, including Ban Wangmoon. From my observation, these factories did not become established where the crops were already grown. Rather, they were set up where government economic privileges were provided and where there was a potential for growing their input. Thus there was the opportunity for farmers to grow new crops to supply to the factories under a new mode of sub-contracted production. Under this system, the factory supplied seeds, fertilisers and pesticides which were loaned on condition that the resulting produce was sold back to the factory. Tomatoes and corn seeds were introduced and farmers were supervised in how to grow them. However the factory used their monopolizing position to fix the prices of these produce. Some farmers explained to me that they switched to this production because it appeared at first to be a relatively more secure production. For example, prices were guaranteed and it was also verbally promised that all produce would be bought back. In actuality, however, this was not the case and prices were often lower than those promised. Also, not all outputs were bought back by the factories. This mode of production can be seen to intensify the dependency of villagers on the market more than ever before and in an increasingly exploitative way. However, not all farmers were exploited to the same degree. Often, people with better social relations with the sub-contractors would have most of their produce bought whereas those with relatively poor relations could not sell their crops.

The national promotion of the tourist industry with “Visit Thailand Year” in 1985 affected many Thai people including many in Ban Wangmoon village. For Ban Wangmoon villagers, male labourers were initially drawn into town to construct hotels and other services. The service sector, including hotel, retail trade and restaurant industries later absorbed Ban Wangmoon’s labour to fill new jobs. Not only women but also men were drawn into these industries. While women worked as hotel receptionists, operators, hotel maids, cleaners, waitresses, men found work as bellboys, drivers and waiters, among others.

Overall all, it can be argued that the effects of industrialisation on Ban Wangmoon include an increased dependency on and engagement with the market. This is largely due to the influx of labour into the service and construction sectors but also due to the new modes of agricultural production. However, it must be remarked that the terms on which they enter

the market can appear exploitative, especially for women who, for example, engage in the agro-industry as previously discussed. Farmers who also engage in sub-contracting farm production have the disadvantageous position of not being able to bargain for the prices.

The property boom

In the early 1990s, following the liberalisation of the financial market, an influx of cheap loans came in through the Bangkok International Banking Facilities (BIBFs). As discussed in Chapter 2, much of this money was invested in the real estate and property sector. As a consequence Chiangmai experienced a large boom in the property market. Much of the land in Ban Wangmoon, especially land next to the river or surrounded by the mountain was attractive to the developers. Paw Luang Sriton explained that most land along the river Ping was sold to the developers. Within the village itself, the only piece of land by the river that was left untouched was where the moon tree grew.

The real estate boom in Ban Wangmoon created many changes within the village. Firstly, there was a transformation in the access and control over resources of Ban Wangmoon's villagers. The sale of land can be interpreted as a response of villagers to the changing context, where the actors trade physical resources for financial ones. However, the transformation of this resource came with a consequence of restricted access to the natural resources of the river. Apart from having more restricted access to an important source of food, the villagers were also cut off access to their main input for agricultural production: water.

It should be remarked that the consequences of the sale of land for each individual farmer can vary significantly. Some farmers managed to weave a good social relationship with the capitalists. Uncle Ruang, for example, sold 14 rais of land along the Ping river. He explained that he sold the land because it was too low and under risk of flooding. After the sale, he encouraged the capitalists to add top soil to prevent flooding and then asked for permission to continue farming the land. In exchange he has to guard and look after the land for the owners. In doing this, Uncle Ruang gains from the usage of the land by earning some income from the produce grown. This type of arrangement of Uncle Ruang can be viewed as typical of the 'patron and client' relationship, in which he draws on his own limited resources to obtain financial rewards. Uncle Ruang is not alone in doing this, and other actors within the village were also able to manipulate deals with the speculative

capitalists. For many farmers, money accrued from the sale of land may be spent on house refurbishment or other consumption. Households who sold land also had a tendency to abandon farm work and enter waged employment.

The boom of the property sector in Chiangmai generated new employment opportunities for ex-farmers, especially in the construction industry. Many male villagers in Ban Wangmoon were drawn into this industry after selling their farmland. To travel to work the construction workers were picked up by the subcontractor's truck in the morning. Usually, there are no gender restrictions in construction work. Both men and women were able to work in construction sector but tended to do different jobs. For example, women mix and carry cement whereas men tend to do woodwork, painting and bricklaying. During the boom, the demand for construction work was so high that a labourer could be guaranteed work almost every day of the month. Payment was calculated on a daily basis but disbursed twice a month.

In summary, the property boom can also be argued as transforming the vulnerability context of Ban Wangmoon and many of the villager's lives. Firstly, the land speculation brought about a change in resources for some villages through the trade of physical resources (land) for financial resources and consequently the restricted access to other natural resources. Secondly, the loss of land as an important productive resource also necessitated a change in the livelihood constructions of many farmers who were previously dependent on this type of resource. Consequently, many became more directly involved in the labour market.

Resource portfolio of the household and the individual livelihood construction

This section discusses the importance and the availability of resource portfolios that can include natural (e.g. river and forest), physical (e.g. land and other household assets), financial, human and the less tangible social resources. The aim is to provide an overview of how the resource portfolio is involved in the response of households to the shocks.

It should be noted that though the categorisation of resources is useful for systematically identifying how resources can be used by individual actors in response to the crisis, there can be many difficulties in the collection and categorisation of resources. As McGregor

(2003) has argued, the researcher can sometimes only recognise the possession of resources once they are used. In methodological terms, it is highly difficult for the outsider to completely assess the resource portfolio of an individual, especially the intangible resources such as social relationships. Moreover, resources can have many properties. For example, some natural resources such as land can be classified as both natural and physical resources. One may argue that land can be viewed as a physical resource because of its financial value but the pebbles and trees that come with land may be viewed as natural resources. In this thesis, I will refer to natural resources as all natural occurring resources that people can access without financial charges or prior ownership. For this reason, land is generally regarded as a physical rather than natural resource.

I have further classified physical resources into three subcategories of productive, reproductive and luxurious resources. I have grouped physical resources in this way according to the categorisation that villagers made in the material ranking task. In the material ranking task, physical resources were classified into three groups of subsistence, productive and status marking which I will equate to reproductive, productive and luxurious resources. Subsistence or reproductive resources include all resources that are used to subsist and maintain the welfare of the household. The term productive resources refers to all resources that are used to produce services or goods for sale or exchange but not for home consumption. Luxurious or status marking resources, though not necessary at a survival level, serve three main functions. Firstly, they give comfort, convenience, or entertainment to the households. Secondly, they give the owners status. For example, stoves in most households were hardly used because they believed that cooking sticky rice on a gas stove makes the rice taste bad and so most stoves have only ornamental value in the kitchen. Thirdly, these items can also be used as collateral for borrowing from pawn shops or else can be sold for cash during hard times. Gold and ornaments are good examples of luxurious resource that have status value but can also be sold when required.

Natural resources

The Ping river: source of natural water and food resources

Various key informants told me that the village is never short of water thanks to its location next to the River Ping, the longest river in the country. The natural water supply is utilised for many different purposes including daily consumption, cleaning, watering plants/crops, and feeding animals. The river also provides a means of transport and source

of food for villagers.

Fish are caught in the river and irrigation canals mainly for home consumption. These include cat fish, kang fish, snappers and other water animals such as fresh water prawns, eels and frogs. Among all the fish species the kang is regarded as the tastiest and most desirable fish. In the past, Oui Ta explained that although fish were caught mainly for home consumption, the poor would catch fish and exchange them for rice. This strategy was widely adopted on year when the yield from farming was particularly bad. In the exchange system, kang, frogs and cat fish were the foods most easily exchanged.

With regards to access to these resources, there are no official regulations on who is allowed usage of the river, or where they can gain access. At first, it was difficult for me to obtain clear information on the control of river usage. Although villagers seemed to follow certain practices with regard to how and to what degree they can utilise the river, it became increasingly noticeable that the practices followed stemmed mainly from cultural norms and beliefs.

Most villagers believe that the river is sacred and should therefore be used considerately. It was also believed that there is a River goddess or 'mae kong ka' who resides in the Ping river. This belief is reflected in the respect paying ceremony of 'loy kratong', which is the floating festival organised every full moon night of the 11th month (which usually falls on November). During this ceremony people prepare flower floats (made of banana leaves and banana stalks) decorated with incense and candles as an act of respect and gratitude to 'mae kong ka' in guarding the waters and providing food. This floating of small rafts also symbolises the floating away of bad luck. In accordance with these beliefs, people are not allowed to spoil or over exploit the river (Manee, 1984).

Although the belief in mae kong ka protects the river resources to a certain degree, the free access to the river may certainly allow exploitation by those who do not follow these beliefs. The young, for example, take the festival to be a fun event rather than a sacred ceremony. In this sense, the control mechanism involving the sanctity of the river will influence different people to different degrees. On a practical level, it is clear that people try to get access to the river where it is most convenient i.e. the shallowest parts of the river. However, at present, the only place that people can access the river within the village is in front of the temple. Although this is not perhaps the most convenient place it is the only

part of the riverbank that remains common land following the sale of land during the property boom.

Although villagers in Ban Wangmoon never face drought, they have experienced flooding. The worst flood occurred in 1973 when the banks of the reservoir broke (from interview with Oui Pan, 23 April, 2000). After this bad flood, the government constructed the Maengad Dam in 1974 to replace the collapsed reservoir. Ban Wangmoon villagers claim that this dam has changed their lives in many ways. For instance, their agricultural production can now be carried out the whole year around. The irrigation canals that were built to direct water into farms have also reduced the need for farmers to carry water from the river. They have also reduced the dependency on natural rain fall. However, these benefits have been greater for farmers who own land close to the irrigation canals. People also claimed that flooding is less of a problem.

The construction of the dam has also created some changes in the ecosystem that have affected livelihood in a more negative way. Natural food sources of certain kinds of fish have disappeared because the changes in water level have prevented some fish breeding i.e. the kang fish and cat fish (interview with Oui Ta, 30 April, 2000). 'Pum' or waterweed which grows in relatively still water can no longer be found as the water level fluctuates according to the release of water.

The forest "Pa Pae": natural resources of food and wood

The UK's Department for International Development has recently stressed the importance of natural resources, and especially the forest, for rural livelihoods (DFID, 1998). This claim seems to be appropriate to Ban Wangmoon, though it is clear that the livelihood construction of people situated near the forest has changed over time. Some forty years ago, the Ban Wangmoon villagers were highly dependent on Pa Pae as a source of food, fuel and the inputs for house construction. Villagers trekked approximately four hours on foot, usually in the dry season, to obtain wood for house construction and teak leaves for making thatched roofs. In the wet season, wild mushrooms, honey, bamboo and other edible plants were also collected from the forest, mainly for home consumption. Some plants were also taken and replanted near the villagers homes so they could be cultivated for home consumption. Wiset (2000) has carried out research on the usage of the forest in the north and concluded that the forest is a 'supermarket' for rural women and a 'construction

supplier' for men.

The situation has changed over time and the villagers have become less reliant on the forest. Houses are no longer made with thatched roofs although wood is still used in some cases. In Ban Wangmoon, the first house that was built of brick and tile dates back to the late 1980s, when forest wood could no longer be cut according to the National Forest Reservation Act B.E.2517 brought in to preserve drastically diminished forest areas. Since then, the attitude of people towards wooden houses has gradually changed. People believe that wooden houses are outdated and not as strong as a modern brick houses. This view was apparent during the physical resource ranking task in which people ranked brick houses higher than wooden houses. This change in attitude typifies the diminishing relationship that villagers have with the forest. However, for many people, and especially the poor, the forest still remains a significant source of food.

Physical resources

Land

Ban Wangmoon is a medium sized village compared to the other eleven villages within the sub-district (Maerim district annual report, 1994). The land in the village can be divided into three main areas. While the strip along the riverfront up to the main road (Map 5.1) was used for field crop cultivation and is now mostly owned by capitalists, the strip furthest from the river was used for rice cultivation. The middle area has always been used as residential land.

Table 5.1: Average land holdings in Ban Wangmoon

Land holdings	Number of household (%)
Landless	47 (40.1%)
1-5 rais	62 (53.9%)
5-10 rais	3 (2.6%)
10-21 rais	3 (2.6%)
Total	115 (100%)

Source: Household survey, 2000

According to the household survey I carried out in 2000, the average land holding of all households in Ban Wangmoon is approximately 3 rais per household. This number does not include the residential land. This average land holding in Ban Wangmoon is relatively

small when compared to the average land holding for Chiangmai Province of approximately 11 rais per household (Centre for Agricultural Information, 1996). As shown in Table 5.1, the majority of villagers (53.9%) possess a land area of 1-5 rais. A large proportion of villagers, totalling 40% of all households did not have use of any agricultural land. Most of these villagers previously owned farmland which they sold during the property boom, some of whom have found alternative livelihoods. Some villagers who sold off their farmland continue to farm under a sharecropping system.

Only six households own an area of land greater than 5 rais. However, these six households own approximately 25% of all the agricultural land in Ban Wangmoon. Four of these households claimed that they accumulated land area by selling their high valued land along the river Ping and then buying farmland from other farmers. Land in Ban Wangmoon is often used as collateral when villagers take out loans. Although all farmland in Ban Wangmoon is valued equally by the Bank the value that farmers attach to different land is varied. The most important factors are the quality of soil, the distance to water sources and the level of the land.

Other physical resources

Apart from land, there are other physical resources that are important for Ban Wangmoon livelihoods. I have further classified physical resources into three different groups which are productive, reproductive and luxurious resources. Productive resources refer to those resources used as part of the income generating activities of a household. Reproductive resources refer to physical resources that are necessary to the construction of livelihoods at a survival level. Lastly, luxurious resources include resources that are not necessary for household livelihoods but have only convenience, status or recreational value.

In Ban Wangmon, as shown in Table 5.2, almost all households own the cited reproductive resources, including residential land and houses. These particular resources were claimed to be the most important for survival according to the material ranking task. These resources were claimed to be necessary for survival and would therefore be the last resource that households would want to liquidise. The three households that do not own their own land or a house are newly wedded couples who are currently staying on the grounds of parents' properties. According to traditional practice, these couples would later be given a piece of land to set up their own permanent home. All households owning a house also have edible trees and shrubs within their home, which are also considered an

important resource for the survival of the household. Although for many, edible trees and shrubs can be considered as natural resources, I regarded them as reproductive physical resources when they do not come without land and tending.

Table 5.2: Other physical resources

Resources	Households	Percentage
Physical		
<i>Productive (number of households)</i>		
Farm land	69	60
Pick up truck	9	7.8
Shops	8	6.9
Sewing machines	5	4.3
Tractors	4	3.5
Hoes and farm instruments	84	73.0
<i>Reproductive (number of households)</i>		
Houses	112	97.4
Land and property	112	97.4
Edible trees/fruits	112	97.4
Home grown vegetable and livestock	105	91.3
<i>Luxurious (number of counts)</i>		
Irons	51	44.3
Cars	5	4.3
Motorcycles	52	45.2
Refrigerators	43	37.4
Washing machine	3	2.6
Stoves	51	44.3
TV	70	60.9
VDO	4	3.5
Computer	1	0.9
Total	115	100

While 60% of household claimed to own farmland, 73% of households claimed that they owned agricultural implements such as hoes, rakes, etc. These items of productive physical resources are the most frequently cited and are used in both productive and reproduction production (farm land and home grown vegetables/crops). It was also revealed during the material ranking task that pickup trucks and tractors are highly ranked as productive resources. These items can be used not only to generate financial income for their owners but also use as a status marker. Although pick up trucks are owned by only 7.8% of all households they are used by many villagers for transporting agricultural produce to the mills or market. These villagers are charged by the truck owners for each trip. Pickup trucks are also used as a minibus to transport people. Tractors were owned by 3.5% of total households. The hiring of the tractors for land preparation costs approximately 600 baht a day plus the cost of petrol. The households who own these tractors are also farming households that own a relatively large area of farmland.

Apart from the productive resources required for farm production, the other two important resources in this category are shops and sewing machines. There were 8 grocery shops in Ban Wangmoon, all of which sell more or less the same items of dry food (instant noodles, canned fish etc.), fresh food (vegetable), rice and many other consumables. Those households running grocery stores are usually regarded as wealthy according to the wealth ranking task because, it was claimed, that shops can generate a stream of income regardless of the economic conditions. Only 5 households reported having sewing machines which were all used for sub-contracted sewing jobs.

Of the luxurious resources, as shown in Table 5.2, the four most common items that were possessed were TVs (60%), motorcycles (45%), irons (44%) and stoves (44% of the total households). As previously explained, these resources are not necessary at a survival level, but can have convenience, status or resale value.

Most households in Ban Wangmoon own the vital reproductive resources of residential land and a house. The importance of these items was confirmed by the material ranking task in which they were classified as a minimum requirement for survival. Food can be obtained from natural sources or grown within residential land. Productive resources especially farm implements are owned by almost three quarters of the households whereas other physical productive resources can also be found in a small number of cases.

Human resources

At the time of the household survey (April-July 2000), there were 115 households residing in the village. The majority of the households (almost 60%) are extended households i.e. containing co-residing blood relatives of more than two generations (Table 5.3). The second largest proportion of households was classified as nuclear households, making up almost 40% of the total number of households. A nuclear household is defined as a household comprising a couple or single parent residing with children. Very few households are classified as single household or single person living alone, whilst there is no household classified as a joint household or a co-residing of non-blood relatives. Over 90% of households are headed by men with the remaining headed by women. Women who head households are mostly widows or older females living with their children.

Table 5.3: Type of household classified by sex of household head

Type of households	Number	%	Type of household head	Number	%
Single	2	1.7	Male	1	0.9
			Female	1	0.9
			No head	0	0
Nuclear	45	39.1	Male	42	36.5
			Female	3	2.6
			No head	0	0
Extended	68	59.1	Male	61	53.0
			Female	7	6.1
			No head	0	0
Joint	0	0	Male	0	0
			Female	0	0
			No head	0	0
Total	115	100	Male	104	90.4
			Female	11	9.6
			No head	0	0

Source: Household survey, April-July 2000

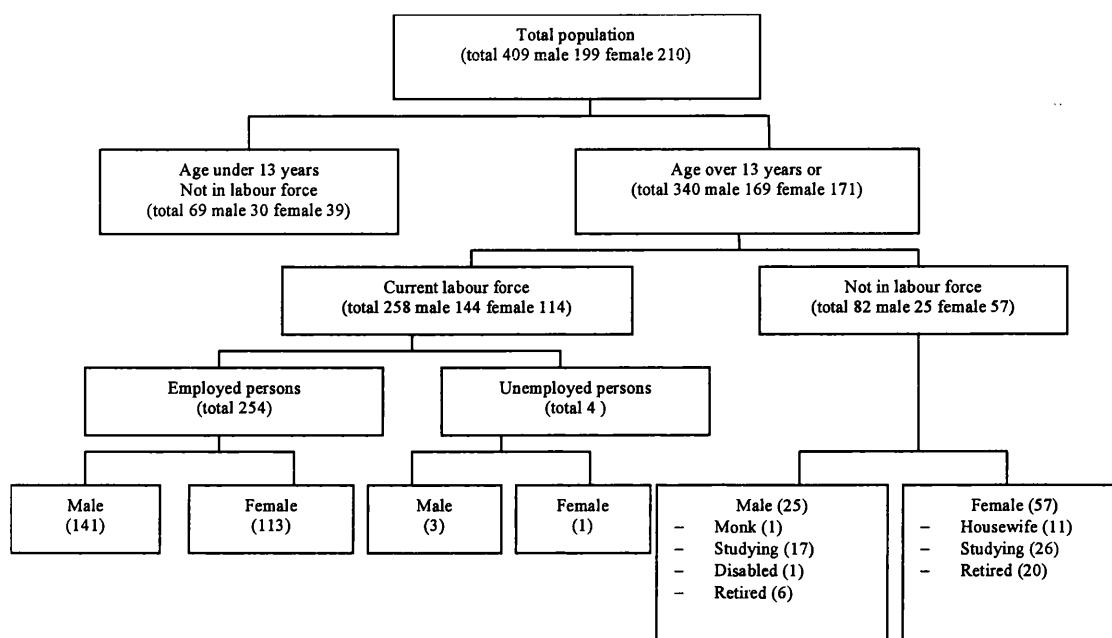
On average, the number of members per household in Ban Wangmoon is 3.6. The dependency ratio of non-productive members to productive members is 0.58 on average. This means that on average there is about one dependent (child or elderly) that must be looked after by two productive members

With regards to education, villagers have an average of 3.8 years of schooling, which is lower than the compulsory 6 years by law. This low figure can be explained by the late establishment of the village school that consequently means that all people aged over 40s are either uneducated or did not complete a grade 4 certificate. Among the relatively wealthy households, the members tended to get more education. For example, from the survey, almost all (seven out of eight) people claiming to have a high school or higher education are from rich households. Rich households also prefer to send children to a private institution as it is believed that the schools provide a better education than state schools. However, the attendance at private school can also be viewed as a status marker for households/individuals. Poor households, on the other hand, tend to send their children to state schools, though they would wish for their children to complete higher education if their financial resources permitted.

The survey reveals that the total population at the time was 409, with 199 males and 210 females, as shown in Fig. 5.1. Of the total population, 340 people were over 13 years old, the age over which individuals may be regarded as part of the active labour force in

national statistics. At the time of the survey, 258 people were active in the current labour force, of which 144 were male and 114 female.

Figure 5.1: Ban Wangmoon population by labour force classified by sex



Terminology

1. Employed persons

Persons, 13 years of age and over who during the survey; worked for at least one hour for wages, profits, dividends or any other kind of payment, in kind; or

- 1.1 did not work at all but had regular jobs, business enterprises or farms from which they were temporarily absent because of illness or injury, vacation or holiday, strike, bad weather, off-season or other reasons, such as temporary closure of the work place, whether or not they were paid by their employers during their period of absence, provided that in the case of a temporary closure of the work place, the expectation was that it would be reopened within 30 days from the date of closure and they would be recalled to their former job; or
- 1.2 worked for at least one hour without pay in business enterprises or on farms owned or operated by household heads or members.

The main reason for using 13 years of age as a benchmark is because the compulsory age of children to be in school is 13.

2. Unemployed persons

Persons, 13 years of age and over who during the survey did not work even for one hour, had no jobs, business enterprises, or farms of their own, from which they were temporarily absent, but were available for work.

3. Current labour force

All persons 13 years of age and over who, during the survey, were either employed or unemployed as defined above.

4. Persons not in the labour force

All persons, 13 years of age and over who during the survey were neither employed nor unemployed as defined above. They include:

- 4.1 persons who, during the survey were under 13 years of age
- 4.2 persons who, during the survey were 13 years of age and over but were neither employed nor available for employment because they were
 - 4.2.1 engaged in household work
 - 4.2.2 engaged in studies
 - 4.2.3 too old (over 60 years old)
 - 4.2.4 incapable of work because of health related reasons (disability or chronic illness)
 - 4.2.5 otherwise not available for employment

Financial resources

From the household survey, the average household in Ban Wangmoon earned an annual income of approximately 42,500 baht per year in 2000. This can be translated into a per capita income of 11,949 baht, which is significantly lower than the average per capita income of the country as a whole of 48,211 baht (BOT, 2004). This lower than average income level in Ban Wangmoon can be largely explained by the fact that the average income is highly weighted by the greater income generating activities occurring in Bangkok. The capital generates more than half of the GDP of the country.

A large number of Ban Wangmoon's households produce rice which is stored for home consumption and not translated into financial income. In some ways stored rice can be viewed as financial savings as it can always be transformed into cash if required. However, in this study, stocks of rice are not taken into account in assessing financial resources of households.

Only a limited numbers of households have any savings, accounting for 17 households. These savings are usually owned and used by individuals or couples within the household rather than the household as a whole. Only one of these households uses formal financial institutions for depositing savings. Most savings take the form of money lent to other relations, gold, or shares in farming co-operatives. The amount of savings ranged between 10,000-50,000 baht per household. The main reasons for the villagers not having saving accounts with the formal institutions were the fact that the farmers were declined credit during the promotion of the industrialisation and property boom, and the inconvenience and costs in having to commute to town for any financial activities.

There were 49 households claiming to have a debt, the average value of which was 25,000 baht per households. Most of this debt is in the form of loans provided by the Bank of Agricultural and Cooperative (BAAC). Although originally these loans were only provided for investment in farm production, the credit line has expanded to include loans for other expenditure, such as home improvement and consumption (Interview with the Maerim branch manager, 2000). The Bank explained that this expansion of loan types occurred when farming activity dropped during the property booms.

Social resources

Social resources or social relationships are regarded as highly important within the SLF for the reason that they can be utilised or mobilised in response to or to mitigate the impacts from external shocks. Moreover, social relations can be used to accumulate other types of tangible resources. It is also widely recognised that social resources are complex and involve various aspects. In the context of shocks, the interviewer asked the household representative to recall whom they asked for help from and whom they could seek assistance from during crises.

The findings reveal that there are various people that respondents can ask for assistance. Generally, the help can be drawn from five different groups, namely ‘village committee’, ‘co-workers and friends’, ‘politicians’, ‘neighbours and relations’ and ‘outside village relations’. As shown in Table 5.4, the most frequently cited groups of people that villagers asked for help were ‘neighbours and relations’; accounting for almost 100 % of all households interviewed. It is apparent that this is a tightly knit community, probably because a high proportion of villagers are blood related. The assistance sought ranged from asking for food, borrowing physical resources (e.g. asking for lift) or requesting labour time and financial aid.

Table 5.4: The social resources of Ban Wangmoon villagers

Social (number of households)	Rich (10) %	Medium (43) %	Poor (62) %	Total (115) %
<i>Relationship with village committee</i>	9 (90%)	12 (27%)	2 (3%)	23 (20%)
<i>Relationship with co-workers and friends</i>	10 (100%)	18 (42%)	48 (77%)	76 (66%)
<i>Relationship with politician</i>	5 (50%)	3 (7%)	3 (5%)	11 (10%)
<i>Relationship with neighbours and relations</i>	9 (90%)	43 (100%)	62 (100%)	114 (99%)
<i>Relationship with outside village relations</i>	10 (100%)	8 (19%)	5 (8%)	23 (20%)

The second most often cited group was ‘co-workers and friends’. This category was cited by 76 households or approximately 66 % of all households interviewed. The help that was given or expected came in the form of (lending) money or providing information on job opportunities. The ‘friends’ are usually acquaintances from schools or community activities.

Only a limited number (23 respondents) made claims of seeking assistance from relations outside the village. Also, only 23 households sought help from village committees and 16

from politicians. This reflects the limited access to these types of social resources that many social groups have. The segregation of data according to the wealth ranking reveals that those who had access to help from village committees and politicians were wealthy households. Table 5.4 also reveals that social resources, and especially those related to governmental resources, such as connections with village committees and politicians, can be more easily accessed by the rich than the poor.

Livelihood constructions and outcomes

As stated in Chapter 1, this thesis follows Chambers and Conway's (1997) interpretation that livelihood "*comprises the capabilities, assets and activities required for a means of living*". In this sense, "livelihood" can refer to the activities through which people use their resource portfolio (physical, financial, human, social and natural resources) in order to make their livings in both subsistence and market arenas and to survive on a daily basis within a certain vulnerability context. Based on this definition, a wide range of activities are included, for instance, the use of human resources such as education and skills in employment for earning waged income, natural resources such as fishing for sale and home consumption and physical resources of various agricultural inputs such as land, seeds for subsistence or cash-oriented farming.

The first part of this chapter described how, in the past, the livelihood of Ban Wangmoon's villagers was constructed around a rich natural resource base. It was explained that a transformation in the mode of production has occurred from relatively subsistence towards a more cash-oriented production. This transformation has been partly fuelled by national level industrialisation and liberalisation policies. In exploring the livelihood strategy of people in Ban Wangmoon, I have broadly separated the livelihood strategies into two spheres of paid and unpaid production, which will be examined in turn. This separation was made for the purpose of investigating the role of market proximity in distributing the effects of shocks.

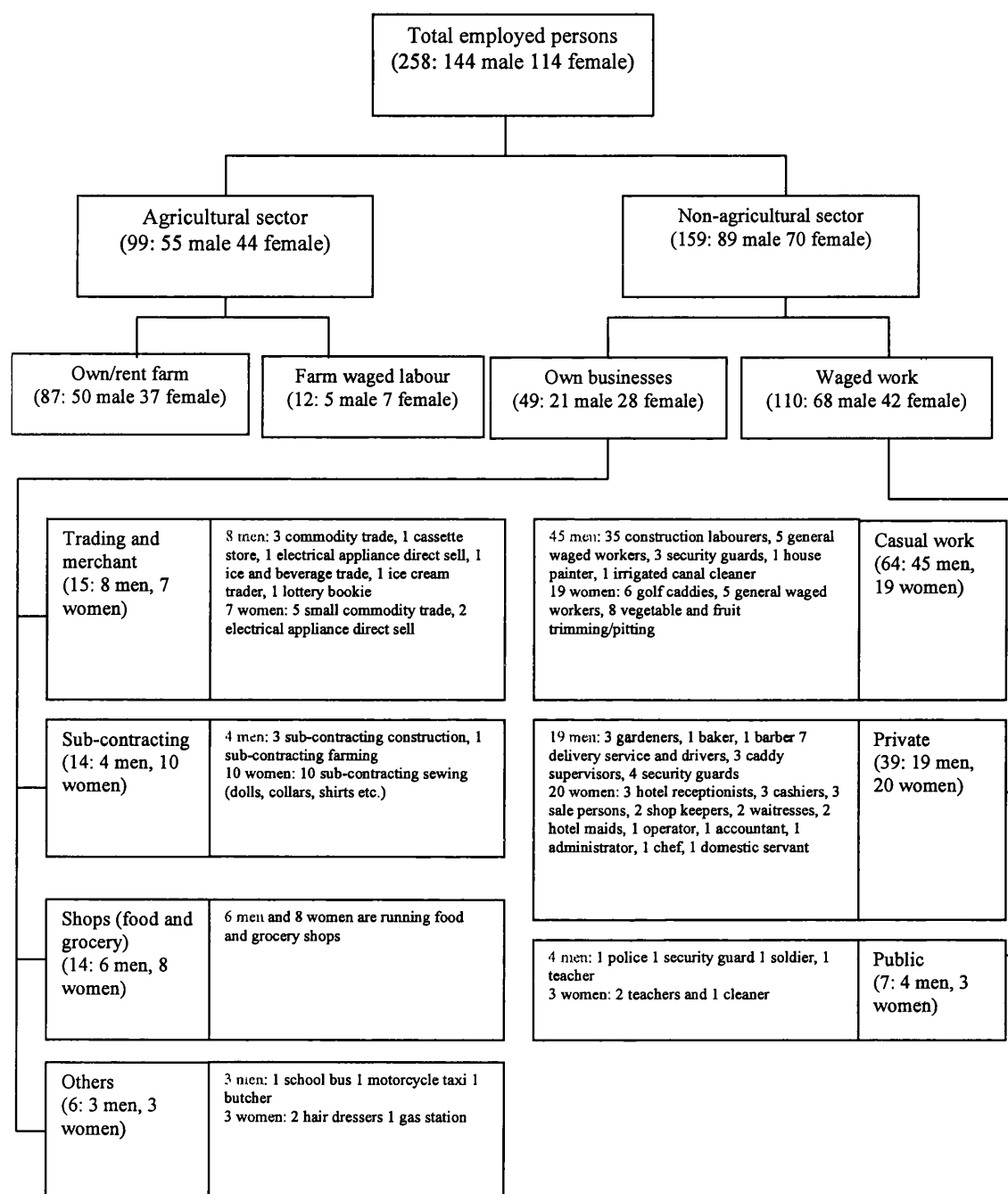
On the basis of individuals' primary source of income, or means of accumulating financial resources, Ban Wangmoon villagers earn their main income through the activities shown in Fig. 5.2 on the next page. These activities contribute to the two main industries of agricultural and non-agricultural employment. Although there has been a gradual decline in farm production over the past three decades due to the change in attitude towards farm

production from many different factors (government promotion of industrial production and the price incentive in factory works), farming is still regarded as a primary source of income for some 90 farmers, or more than one third of the total employed persons. However, it should be noted that not all farmers are fulltime producers and most also have other employment. Both men and women contribute to farm production though men outnumber women in terms of having their main livelihood based in this industry. Farmers are located in almost 40% of households and work either on their own managed farm (rented or self-owned farms) or on other people's farms as waged farmers or sharecroppers. Farm production is seasonal. Sticky rice, the main staple crop, is grown only during the rainy season for both household consumption and cash, while other field/garden crops are grown during the dry seasons, mainly for commercial purposes (Fig. 5.3).

Fig. 5.3 reveals the typical annual calendar of the crops grown in Ban Wangmoon. It is shown that there were approximately 9 types of crop grown during the course of one calendar year. Sticky and jasmine rice are the main crops that grow during the rainy season, sown from mid May and harvested in mid November. While sticky rice is grown mostly for home consumption with leftovers kept as savings or sold, more expensive jasmine rice is grown purely for cash. Generally, people prefer to grow their own sticky rice as it does not make economic sense to buy it from the mills.

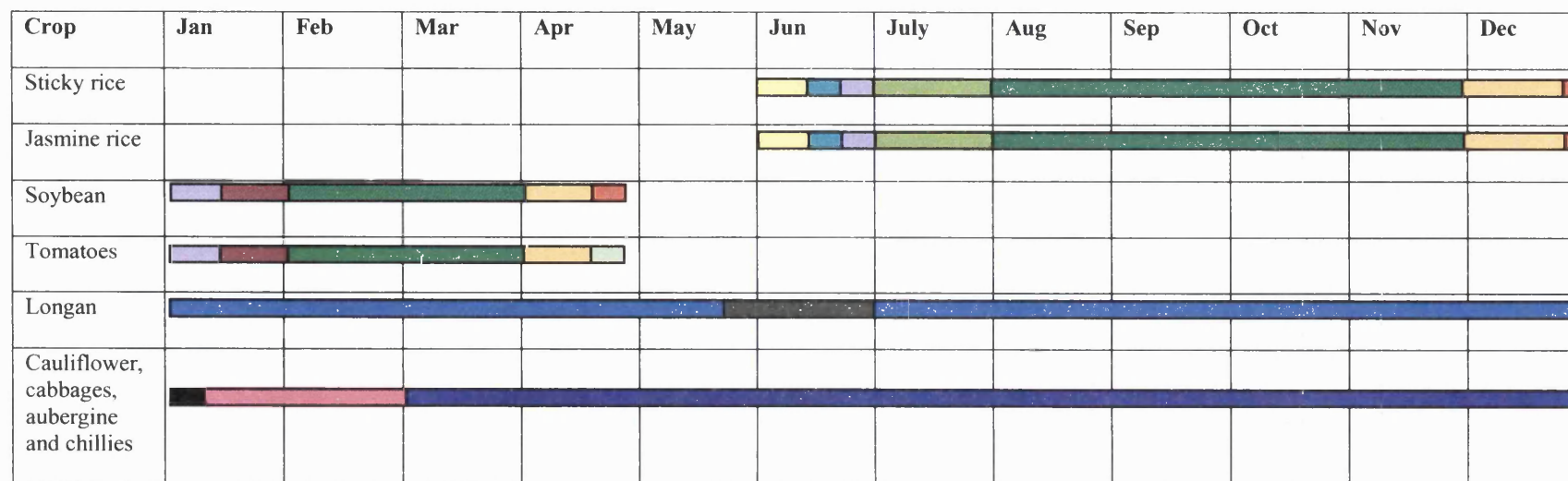
During the dry season, soy beans and tomatoes are grown on the same land used for rice, following its harvest. While tomatoes are grown to supply the factories, soy beans are grown and sold to the mills. For some households, field crops are grown once but can be harvested all year round. This includes the production of cauliflower, aubergine, cabbages and chilli. Usually, these crops are grown by households with limited sources of labour because it requires less tending and provides a stream of income for the whole year. Other fruits such as longan were also planted for harvesting in the dry season.

Figure 5.2: Ban Wangmoon villagers' main livelihoods



Source: Household survey, Ban Wangmoon April-July 2000

Figure 5.3: Ban Wangmoon crop calendar



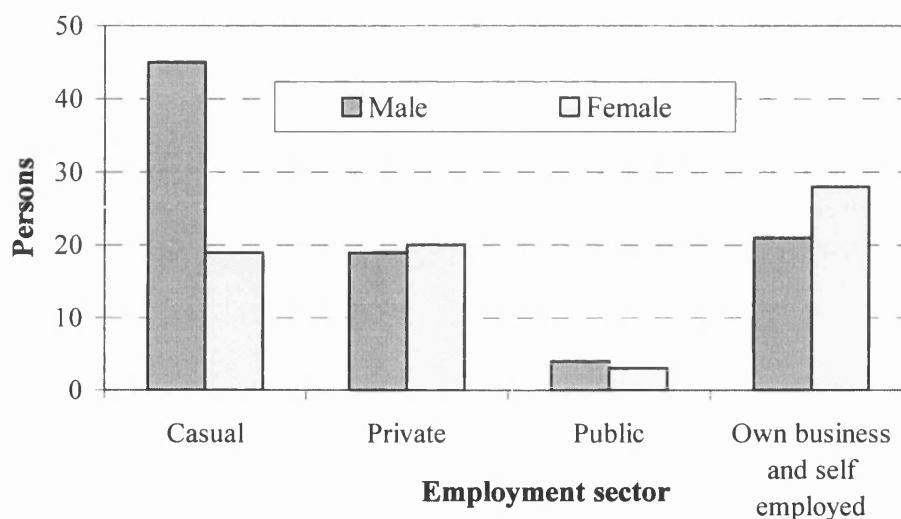
Data collected from three focus groups namely men, women and children groups: Crop calendar task 1-3 July, 2000

- Seeding. Men's job.
- Redirecting the water from the irrigated canal and purchasing agricultural inputs. Men's job.
- Land preparation. In general, this is undertaken by men using hand tractor or big tractors. Most farmers do not own such machines. The rent of tractor is fluctuating. It is determined by the cost of the petrol. The rent includes the labour for ploughing. At the time of the survey, the rent is 600 baht per rai for rice farm and 120 baht per rai for soybean and tomatoes farm. However, there is no prohibition for women to plough as there is one woman in the village who is capable at ploughing.
- Planting. Men and women's job. Planting and growing are considered as a peak season for rice production. The demand for labour is high. Farming labour for planting can be organised in three ways including exchanging labour, hired labour and subcontracting labour.
- Tending. Tending for rice and soybeans includes weeding, applying fertiliser and pesticide: these are done by men.

- ☐ Harvesting. Rice harvesting is a labour intensive work. This is carried out using sickle by both male and female farmers. Again, exchanging labour, hired labour or subcontracting are three means of securing sufficient labour for harvesting. Harvesting tomatoes are hand picked and done by mostly women.
 - ☐ Post harvesting. Post harvesting work includes tying, carrying, transporting and selling the crops. Tying and carrying can be done by both men and women. However, transporting and selling are usually undertaken by men.
 - ☒ Soybean and tomato planting. Planting of soybean requires both female and male labour. Men dig the hole about 4 inches deep and roughly 4 inches apart in a row. Women walk after the men and put 3-4 seeds of soybeans in the hole and cover with earth. Planting is a peak season and there is often a lack of labour. Farmers do sometimes hire, exchange and subcontracting labour.
 - ☐ Post harvesting. Tomatoes are sold to the subcontractor and deals are done between men.
 - ☒ Longan harvesting. Longan harvesting is done by men but Longan grading and packing by women.
 - ☒ Land preparation for vegetables.
 - ☐ Vegetable planting and tending. Planting and tending are undertaken by both men and women.
 - ☒ Vegetable harvesting. Vegetable harvesting occurs the whole year around and can be done by both men and women.
-

The majority of Ban Wangmoon's current labour force (62%) has non-agricultural activities as their main source of income. These non-agricultural activities can be classified into casual waged, private, public and self-employed work. Casual work⁴¹ is a vital source of income for approximately 40% of employed persons, as indicated in Fig. 5.4. This high participation rate in casual work probably relates to the fact that workers require minimal individual human resources i.e. it is easy to enter and has low or non-formal education requirements⁴². With regard to gender differences, the number of male casual waged workers is more than twice the number of female workers (also shown in Fig. 5.4).

Figure 5.4: Ban Wangmoon non-agricultural employment classified by sector of employment and sex



Source: Household survey, April-July, 2000

Only a small number of individuals (less than 5% of total employed) engage in public sector work, due to the fact that such work usually requires qualifications i.e. specific individual human resources. Investment in further education can not be afforded by most villagers, particularly as it involves additional spending on transportation, food and books, as well as college fees.

⁴¹ Casual waged work refers to the work where working contracts regarding wage payment, working hours as well as other working conditions are agreed verbally with minimum or no legal protection

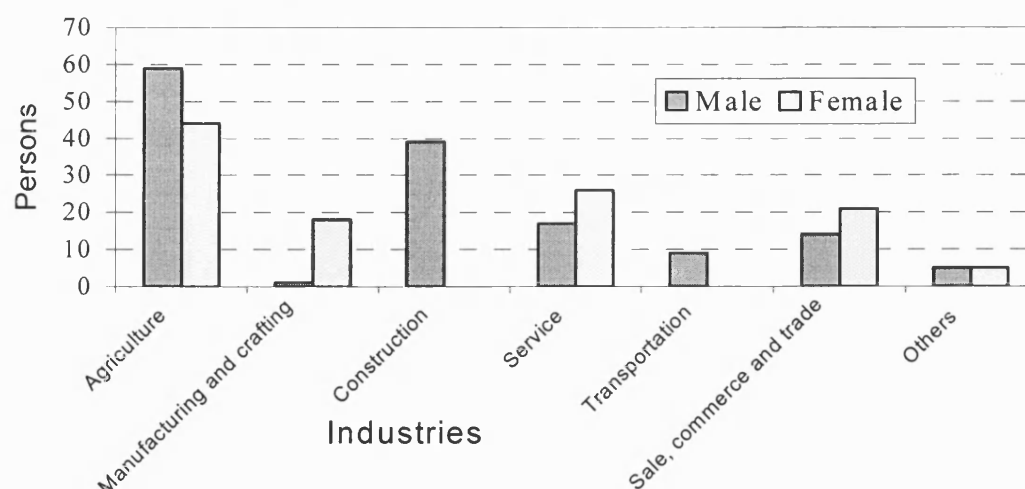
⁴² From the household survey, on average, the villagers have approximately 4 years of formal education while the compulsory education is 6 years. On average, the older generation are less educated than the younger population.

Gender-differentiation in the public sector employment numbers is less apparent than for casual work, with almost equal numbers of women and men employed (Fig. 5.4). However, the type of work in which men and women are engaged tends to differ. As shown in Fig. 5.2, the men work as a policeman, security guard and soldier whilst the women are teachers and a cleaner. This division seems to correlate with the traditional stereotyping of work based on gender differences, though it should be noted that the government tries to discourage gender discrimination with regard to recruitment.

Private sector employment plays a significant role as a source of income for some 25% of employed persons, with similar numbers of men and women engaged in this sector. It was also found that self-owned businesses and self-employment were the main source of income for 30% of employed persons. These businesses included sub-contracted sewing and construction, commodity trading and grocery shops, among others.

Analysing the employment across different industries (Fig. 5.5) reveals that the majority of the active labour force in Ban Wangmoon engages in the agricultural industry, with a considerably higher number of men employed than women. The second and third largest industries for employment in Ban Wangmoon are the service, and sale & commerce industries, both accounting for roughly 30% of employed persons. However, it should be noted that some workers, especially those in the casual and self-owned business sectors, hold more than one job. Mobility between sectors can also be observed, especially for those working in construction and farming.

Figure 5.5: Ban Wangmoon employment classified by industries and sex



Source: Household survey, April-July, 2000

A livelihood does not necessarily involve employment in the market realm. The day-to-day survival strategies of Ban Wangmoon villagers often utilise the physical and rich natural resource bases as an integral part of their livelihoods. Households that have access to and knowledge (a human resource in the SLF framework) of natural food supplies as well as those undertaking farming, have a degree of independence from the food market. Although rice has dropped in value and may not be as precious as it used to be, it is still grown and stored for annual home consumption. Rice can be considered as a physical resource or saving (financial resource) of the household within the SLF. This view of rice as a financial stock is appropriate if in times of financial hardship, rice kept in storage can be quickly exchanged for money. Other crops grown outside the rice season are also utilised by farming households. The open spaces between residential houses allow most residents to accumulate physical resources of home grown vegetables and livestock such as chicken, ducks and in some cases pigs. These livestock are usually eaten during shortages of food or money or on festive occasions.

The river Ping and the irrigation canals within the village also provide a natural source of food including frogs, fish and river prawns. Other natural food resources within the community that play a significant role in the livelihoods of Ban Wangmoon villagers include abundant fruits and edible shrubs, such as papaya, jackfruit, galangal, kaffir lime leaves, longans, lychees, bananas and also mushrooms. As previously explained, the importance of “Pa Pae” or the foothill forest has reduced significantly as villagers now rely less on wood cutting and thatch for construction. This rich natural resource portfolio and the associated unpaid livelihood system of Ban Wangmoon villagers is depicted in Picture 5.1.

Picture 5.1: The unpaid livelihood system in Ban Wangmoon



Picture 5.1a: A man fishing from the river Ping. Picture 5.1b: Caught fish.



Picture 5.1c: A man taking the fish from the trap.



Picture 5.1d: Woman catching prawns from the irrigation canals.



Picture 5.1e: Rice storage



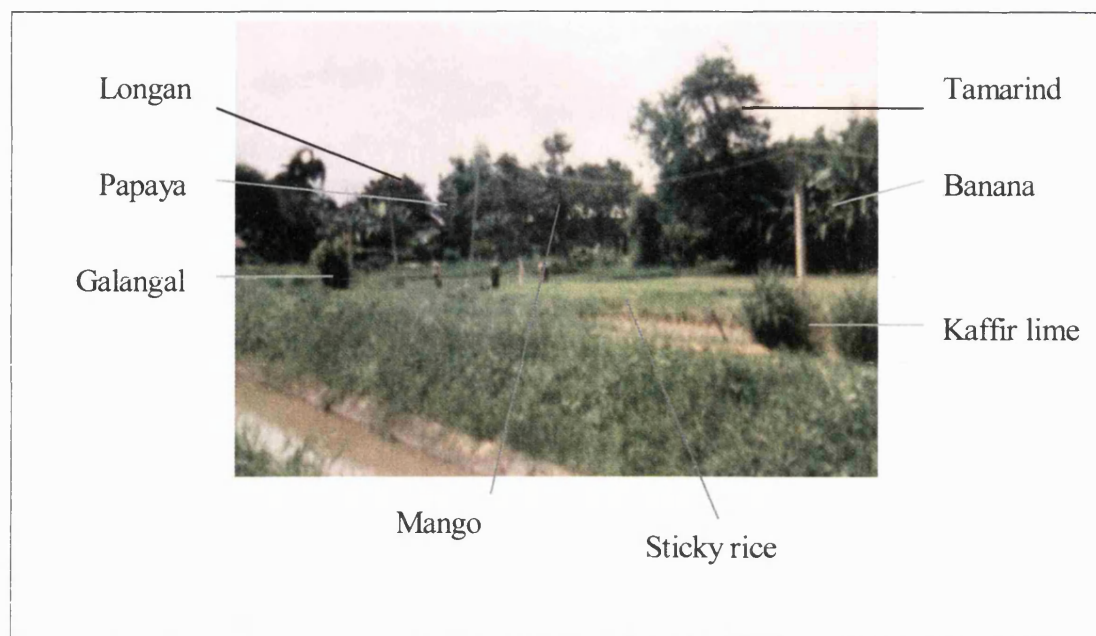
Picture 5.1f: Food cooked from local produce/resources; ants egg custard, stir fried "Phum" or seaweed, minced beef salad, and home grown sticky rice.



Picture 5.1g: Home grown free range chicken.



Picture 5.1h: Fried ants.



Picture 5.1i: Edible trees and plants in the residential area.

Household differentiation: social organisation, wealth ranking and gender division of labour patterns

Social organisation

Ban Wangmoon villagers generally have close social relationships with each other, regarded as social resources within the SLF. The fact that the majority of the villagers are blood-related clearly contributes to the tightly knitted social group. Moreover, the village has an open plan setting with few visible boundaries such as fences, which allows neighbours to easily interact and socialise. Neighbours often assist each other in a reciprocal manner. Social exchanges between neighbours commonly involve asking for help, offering help, exchanging information, giving away herbs, edible fruits or food grown. These reciprocal practices may be regarded as part of the resource portfolio upon which individuals can draw in times of crisis. Though it should be noted that the quality of the social resource of individual actors can differ. Conflicts are also often apparent, regardless of the tightness of the social network.

People are also bound together by more formally organised social institutions. The most influential and strongest two organisations are the farmers group and the Shapanakit group (the funeral group). All farmers are members of the farmers' group. This group was

formally organised with the support of the government. The members are all male with the village headman as a leader. The purpose of the group is mainly to get access to information related to farming including prices, technological changes, any government assistance as well as access to loans from the Bank of Agricultural And Cooperative (BAAC). This type of organisation can be argued to have arisen for mainly productive/economic reasons, that is, to facilitate collective action as a group with regards to farm production. This is to gain relatively cheaper prices for input, and get easy access to loans.

The Shapanakit group, on the other hand, although originally organised by the government in the 1960s to help creating funding for the relations of the death, took off well. This reflected the fact that all households within the community are members of the group. The aim of the group was to financially help out the relations of deceased persons. This occurred through a collection of a fixed amount of money 20 baht per death each month from the member households. This collective amount of money would then be paid to help the relations of the deceased. To be part of this group can be seen as a financial investment or life insurance which the benefit would be repaid for the relations. It can be argued that this group has been set up to support the security of the villagers. In fact, this type of self help group already existed in Ban Wangmoon since the funeral, one litre of rice was required to be given to the host. Failing to do so would be reciprocated on the household. This co existence of Shapanakit and the rice donation reinforces the support.

Wealth ranking

The social connections within the community, as seen on the surface, do not always imply harmonic equitable relationships between villagers. Some conflicts can be linked to the unequal status of households in Ban Wangmoon, which can be classified most straightforwardly according to wealth.

The social stratification is not new and has happened for a long time though its meaning may be given differently. In the past, Oui Pan explained that people were rich because of their luck and their “bun”. That is the rich were those who were born into the well to do family. The well to do family refers to the family with a high level resource base (mostly tangible and visible ones). This included the ownership of good quality and large quantity of land as well as having sufficient labour to work on it (usually meaning domestic labour).

When asked whether there could be a possible change in wealth status, Oui Pan stated that it was possible, depending on an individual's diligence and spending habits. Looking at this through the sustainable livelihood framework, it would not be wrong to contend that people have different wealth statuses due to their differing quantity and quality of resources portfolio.

To investigate a complex system of class stratification, I employed the PRA method in exploring what it means to be wealthy and poor and how one is classified into groups accordingly. Group discussions with the villagers on concepts of wealth were used to determine wealth ranking⁴³ of households. It was found that households residing in the village could be clearly stratified into three classes. These three groups were "Kon ruoy" or rich people, "Kon paw mee paw kin" or those having enough to eat and "Kon tuk" or tough people. The criteria being used in this classification was decided upon by the villagers and was based on ownership of both tangible and intangible resources. While the tangible resources refers to the physical, financial, natural and to a certain degree human resources (labour), intangible resources refers to some aspects of human and social resources.

Table 5.5 shows the household resource portfolio associated with different wealth rankings. It reveals that the rich have a high quantity and quality of all five types of resources. All 10 rich households (as shown in Table 5.5) own considerable quantities of physical resources and particularly luxury items. All of these households own substantial areas of residential land and have permanent homes usually made of brick with tile roofs. This brick and tile can be seen as a status marker if the house was constructed with savings not loans. Those working as farmers also own an area of farmland ranging from 10 to 21 rais, compared with the average agricultural land ownership of about 3 rais per household, and therefore are rich in physical resources in this respect. Half of all households classified as rich have at least one member working in the public sector. From the Job ranking tasks which involved three groups of villagers namely male, female and children groups, all suggested

⁴³ The wealth ranking task was carried out with three different groups within the village including children (both girls and boys), male and female groups. The groups were selected using the data from the household survey to include a cross-section of population for example, single and married, with high and low education, old and young, different occupations, high and low income, and with political or without political status. The ultimate purpose of this task is to generate the final ranking from the ranks carried out by three groups. Some households from different ranking groups are selected as case studies when examining the impact of the economic crisis and the ESAPs.

that casual waged work is the lowest rank in the job ladder because of its low or no job security, low income and job status. Permanent private and public sector work provides relatively higher job security, better working conditions and income and were ranked high in the job ranking task. Public work, in particular, was regarded as the most prestigious, gaining high social status because of its relatively high wage, good fringe benefits including free health care and education services in provided public institutions. Business owners were also regarded as having high status because the villagers believed that only rich people with enough funding can start their own businesses. On this basis, the assumption can be made that the people with high ranking jobs are the rich whilst the poor tend to engage in low ranking jobs.

For the wealthy household, three households have at least one member holding a political position within the village which gives them opportunities to form professional and social connections with government officials and local politicians from outside the village, thereby exploiting this particular social resource.

Further light can be thrown on this topic by looking closer at some examples of households of different wealth. Uncle Ruang aged 47 and Aunty Bangorn aged 45 were both born in Ban Wangmoon and are classified as a rich household. They are currently staying at Aunty Bangorn's inherited land of approximately 120 square metre. They own 15 rais of agricultural land and also have access to land for farming near the river Ping which they have sold but can still use. They have two sons who do not assist with the farming. The first son is currently undertaking a Bachelor degree, the highest educational level attained by a resident in Ban Wangmoon, while their second son is following a BTech course. Uncle Ruang also has a respected status as the vice village headman. Their main financial resources are drawn from farming, sewing, and the school bus business of their first son.

Table 5.5: Summary of household resource profile classified by wealth statuses

Resources	Rich (10 hhs)	Med (43 hhs)	Poor (62 hhs)
1. Physical			
1.1 <i>Productive (number of households)</i>			
Farm land	3 (10-15 rais)	29 (4-10 rais)	30 (1-4 rais)
Pick up truck	6	3	0
Shops	2	6	0
Sewing machines	1	4	0
Tractors	2	2	0
Hoes and farm instruments	4	38	42
1.2 <i>Reproductive (number of households)</i>			
Houses	10	43	59
Land and property	10	43	59
Edible trees/fruits	10	43	59
Home grown vegetable and livestock	7	38	60
1.3 <i>Luxurious (number of counts)</i>			
Irons	10	32	9
Cars	4	1	0
Motorcycles	14	37	1
Refrigerators	10	33	0
Washing machine	3	0	0
Stoves	10	38	3
TV	13	43	14
VDO	4	0	0
Computer	1	0	0
2. Human			
2.1 <i>Quantity (active labour)</i>			
Male labour	24	121	113
Female labour	14	59	71
	10	62	42
2.2 <i>Quality (active labour)</i>			
Education			
- B.tech or above	4	0	0
High school: Private	3	1	0
Public	3	29	0
Secondary school: Private	0	0	0
Public	6	12	26
Primary school: Private	0	0	0
Public	8	79	87
Skills			
- Sewing	8	28	24
- Farming	5	56	38
- Hair dressing	0	6	0
- Construction	1	18	29
- Electrician and mechanics	0	4	0
- Cooking	2	14	39
2.3 <i>Dependency ratio (non active/active members)</i>	0.75	0.58	0.56
3. Social (number of households)			
3.1 <i>Relationship with village committee*</i>	9	12	2
3.2 <i>Relationship with co-workers and friends</i>	10	18	48
3.3 <i>Relationship with politician</i>	5	3	3
3.3 <i>Relationship with neighbours and relations</i>	9	43	62
3.4 <i>Relationship with outside village relations</i>	10	8	5
3. Financial resources (number of households)			
4.1 <i>saving</i>	5	12	0
4.2 <i>Loans</i>	1	40	48

* A point is given to the household who can ask for assistance during the crisis from people they claim good relationships with.

Source: Household survey, August-December, 2000

There were 43 households (37.4%) classified as "Kon paw mee paw kin" or medium wealth households. All medium wealth households have medium levels of physical resources especially those for reproductive purposes like residential land and houses. However, they tend to own smaller plots of farmland in comparison with rich households. The majority of these households have their livelihood based on farm production, self-owned business and work in the private sector. Social connections between households within this class are usually tight, though socially derived resources from outside the village are usually limited.

As an example of a medium wealth household, Boonying and Banpen are both of 43 years of age and are probably quite typical for a medium wealth household. Their household was classified as medium wealth because they can manage comfortably but do not have enough money for saving or investment. They have two children. The oldest daughter is studying at high school in Maerim while the youngest son is studying at the secondary level. Boonying is working full time at the garage and also holds a political position at the sub-district level. He has some return for holding this political position. Banpen, on the other hand, is working as a subcontractor sewing clothes for factories. Her supply of jobs can fluctuate at times.

Most households in the village (53.9%) are classified as poor. Most households fall into this category because of their insecure sources of financial income/resource. This relates to the fact that the majority of household members work as casual labour and have low human resources, particularly as they have been in education for four years or less.

The Som and Ampa household was classified as poor mainly because of their lack of essential resources. These include the shortage of physical resources which can be used as productive resources such as farmland. With their low education and the poor health of Ampa, the household has a very poor human resource profile. Their limited human resources give little opportunity to diversify their livelihood strategy. They draw their financial income only from waged work on the farm. They classified themselves as daily waged worker, the lowest ranked job. Their twin sons also place further demands on their limited resources.

Table 5.6: Ban Wangmoon household wealth ranking

Wealth status	Households	%
Rich	10	8.7
Medium	43	37.4
Poor	62	53.9
Total	115	100

Source: PRA, Wealth ranking task with women and children groups, July, 2000

The results of the wealth ranking, as summarised in Table 5.6, were used as a guideline for selecting five households for the case studies. As explained, these case studies involved in-depth interviews and analysis aimed at investigating the dynamics of impact and response and identifying some of the factors involved. This was undertaken with the hope of identifying any diversified impacts that relate to factors such as wealth and resource base. Of the cases studied, one was a rich, two were medium wealthy and two were poor households. Of these five households, three were typical nuclear households comprised of husband, wife and children, whereas the other two were single sex households. Through this selection it was hoped that possible gender-differentiated impacts of the changes in economic conditions could also be identified.

Gender division of labour: roles and responsibilities

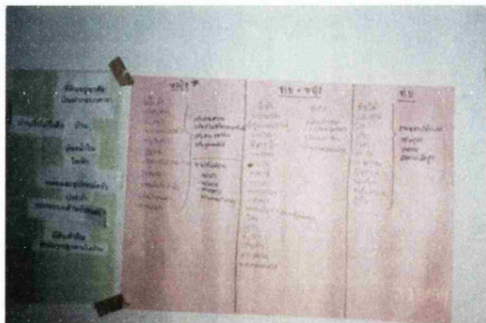
When asked to identify the division of labour patterns according to gender, most villagers claimed that no such gender divisions existed. It was usually claimed simply that men and women's work could not be distinguished, as men and women's work is the same. However, when presented with a list of workers during the focus group discussion with obvious gender stereotypes such as policemen, security guards, construction workers, cooks, sewing workers, respondents would then associate the job with a specific gender. As one would expect, policemen, security guards and construction workers were identified as male jobs whilst other work was identified with women. Some types of work had a less clear gender bias, including farming and gardening.

Direct observations, some from the participatory studies (Appendix 4), revealed a gender division of labour that was in fact quite clear in some areas whereas in other areas it was more blurred. A gender division of labour can be observed in all reproductive and communal work. The division of labour in communal tasks follows the traditional gender ideology of work quite rigidly. In other words, women were usually responsible for any

type of work that related to the welfare of people, including cooking, serving food, cleaning and flower arranging. Yet, not every female was responsible for or assigned the same tasks. The work in the communal sphere itself has a hierarchy of perceived value and desirability. Old women and those with high socio-economic status were often assigned to do the most prestigious work. This work is usually related to religious practices or associated with outsiders. The younger women and those with low socio-economic status are appointed to the least desirable jobs or sometimes completely excluded.

Frequent religious ceremonies are a main focus of village life and have an associated division of labour pattern. During a ceremony, old women arrange flowers for the temple (which is considered sacred) while the middle age women prepare food, as seen in Picture 5.2. Middle aged women with relatively lower status help to cut and wash vegetables. Young girls are responsible for serving food and clearing up. It is very likely that the lowest status women do not attend the ceremony at all. Men, on the other hand, tend to have most input in organising the ceremony.

Picture 5.2: The gender division of labour patterns in productive, reproductive and community work



Female	M + F	Male
Sewing	Farming	Carpentry
Cooking	Planting	Carrying cement
Trading	Weeding	Ploughing
Shopping	Harvesting	Applying pesticide,
Cleaning	Washing dishes	fertiliser
Washing dishes	(children in	Village committee
Flower	community ceremony)	Driver
arranging	Trading	Headman
Pitting fruits	Cooking (for some)	

Picture 5.2a: The summary of the result of the Participatory Research Appraisal with regards to gender division of labour



Picture 5.2b: Productive sphere: male and female farmers after transferring rice to the main field.



Picture 5.2c: Male construction labourers heading to Chiang Mai town.



Picture 5.2d: Female workers pitting longans.



Picture 5.2e: Reproductive sphere: men carrying out construction work



Picture 5.2f: Men cooking when women were absence.



Picture 5.2g: Community work: Thai New Year ceremony; men, women, and children have clearly defined space and roles. The elderly men and women sat on the chairs, women and children on the floor and male village committee members sat on the chair in the front



Picture 5.2h: Men planning and organising the ceremony



Picture 5.2i: Old women arrange flowers whilst young women cook

In community activities men generally adopt more political roles than women, and are more involved in decision-making and organisation. Those roles usually fall on elite men in the village while most middle aged men may help with pitching tents and arranging the stage. It is believed that a clear gender division of work in the communal sphere is reaffirmed by the perpetuation of social norms and traditional values, usually passed down from older to younger generations. This is undoubtedly related to the necessity for social acceptance whereby males want to do the same work as other males of similar social class and age and likewise females tend to use other females from the same social class and age as role models.

The gender division of labour in the productive sphere is somewhat less clear and more complex compared to communal work. As previously mentioned, the work in the productive sphere may be classified as agricultural, casual, private and public work. Within these four classifications, the gender patterns can be clearly observed in both agricultural and casual waged work. These sectors are in some ways the least regulated and instead informal rules are applied. These rules usually revolve around existing social norms and traditional roles, although it should be noted that these rules have changed over time. The gender division of labour in farm production and casual waged work, for example, is assigned partly according to physical strength requirements. Men are almost universally assigned to work that demands high strength such as ploughing, applying fertilisers (using a spray tank) and construction work. Women, on the other hand, are often assigned work of a more tedious and intricate nature such as planting or pitting fruits. It may be argued that the work in this industry is gendered and classified based on physical requirements. However, this work and especially farm work is claimed by villagers to be of a complementary nature, without differing status or value. For example, women can plough if there is an absence of male household members. There is no social stigma attached to ploughing by women, who will usually be praised as "keng" or good. The exception that does not adhere to this general pattern is construction work. There are no restrictions per se on women undertaking construction work. However, there is much evidence of gender-differentiated wages and division of tasks. More specifically, women construction workers get paid less (by 17%) and do unskilled and physically demanding jobs such as carrying buckets of mixed cement around building sites.

The division of labour in the public and private sectors was found to be more complex. In the private sector, it is often the case that employers indicate a gender preference for their workers. The job advertisement shown in Box 5.1 is typical of adverts that specify required qualifications (including education) and gender. On analysing the sex segregation in private sector work, it is seen that women are more likely to engage in service sector work that deals directly with public demands and welfare. This work includes hotel receptionists, waitresses, chefs, domestic servants and telephone operators. Men in the service industry are more concentrated in physical work involving machinery or security, such as drivers and security guards. To a certain degree this analysis also applies to public sector work. It should be noted that numerous jobs are shared fairly equally between men

and women, such as teaching jobs. In terms of the wage gap estimated in 1990, Thai women on average received approximately 20% less than those of men (WB, 1995).

Box 5.1: Gender specific job advertisement

Office Administrator Epson Company Limited	Driver U.N.P. Industrial Tech. Company
<u>Qualifications</u>	<u>Qualifications</u>
1. Female	1. Male
2. Age 18-22 years	2. Age 25-35 years
3. B.Tech education or equivalent	3. High school certificate
4. Having high responsibility	4. Having full clean driving license
5. Having basic knowledge of Computer programmes; Excel and Word.	5. Having high responsibility

Source: Matichon Newspaper, 5 June, 2000

The work in the reproductive sphere is organised universally on a gender basis. Men tend to take responsibility for big tasks such as repairing or constructing houses. Women, on the other hand, are responsible for most day-to-day household chores including cleaning, feeding livestock, watering vegetables, washing, cooking and shopping. The most important of women's responsibilities in the household is usually budget management. In Ban Wangmoon, it is apparent that in most households, a certain portion of income and resources are pooled. Table 5.7 shows that more than 71% of households have women as household budget managers. These women are given pooled income to manage household expenditures. The division of work and responsibility in the reproductive sphere can be diverse and highly dependent on the household composition.

Table 5.7: Household budget management

Household budget management pattern	Numbers of household
Female control of household money	82 (71%)
Male control of household money	18 (16%)
Shared budget	12 (10%)
No household money	1 (1%)
Not known	2 (2%)
Total	115 (100%)

Source: Household survey, April-July 2000

PART II The impacts of the economic shocks in Ban Wangmoon

As previously stated in Chapter 4, the impacts of shocks are to be explored in the four areas of changes in employment, income, expenditure and health and education condition. The remaining part of this chapter discusses the impacts of the crisis on villagers as well as their responses to these shocks. The first section describes the four channel impacts using data gathered mainly through the household survey interviews, but supplemented with data gathered by various other methods (see Chapter 4). The latter section focuses on the discussion of the case studies.

Ban Wangmoon: the four channels impacts of shock

In interviews with 115 villagers (42 male and 73 female randomly selected from every household), almost 100% of respondents claimed they had heard about the crisis, usually from employers, friends and media. From their point of view, the economic crisis was considered as

"...the situation in which the economy is doing badly, daily waged work is difficult to find, people are short of money and goods are much more expensive." (gathered from household survey, 2000)

From the household survey, almost all respondents claimed that their households had been negatively affected by the crisis. As shown in Table 5.8, the most commonly recognised (93.9%) adverse impact was a significant increase in the price of necessities and hence a rise in household expenditure. A large portion of household representatives (67.8%) experienced changes in the nominal income stream as a result of the crisis. These changes in income involved a decline in nominal income or a reduction in real income. Approximately 8% of household representatives claimed that they or their household members were negatively affected by a change in employment pattern.

Table 5.8: The impact of the economic crisis on Ban Wangmoon villagers

Impact	M & F (n = 115) (%)	Male (n = 42) (%)	Female (n = 73) (%)
Changes in employment	22 (19.1)	12 (28.6)	10 (13.7)
Changes in real income	78 (67.8)	29 (69.0)	49 (67.1)
Changes in expenditure	108 (93.9)	41 (97.6)	67 (93.1)

Note: household survey, April-July 2000

The impact of the economic crisis and the ESAPs on employment

After the collapse of the property sector and the financial crisis in 1997, the employment situation for Ban Wangmoon villagers changed. Using the conventional unemployment rate⁴⁴ as a key indicator, it was found that the unemployment rate in Ban Wangmoon had not increased following the crisis and remained low at 1.7%. This statistic alone, however, could not be used to conclude that employment in Ban Wangmoon was not affected by the economic crisis. The aforementioned comparison between two points in time (1997 and 2000) does not reveal transient effects on employment in Ban Wangmoon between those periods. Moreover, it is difficult to assess possible changes in employment with these statistics due to the casual and temporary nature of much employment. It is apparent that villagers generally experienced underemployment rather than open unemployment, a state that is not reflected in the standard unemployment statistic. An analysis of underemployment was not covered by the survey.

Table 5.9: Employment classified by sex and type of work before change of job: Ban Wangmoon

Type of work	Total	Male	Female
Own business	7	4	3
- trading	0	0	0
- food related business	1	1	0
- sub-contracting	0	0	0
- others	1	1	0
- farming	5	2	3
Casual	12	7	5
Private	10	4	6
Public	1	1	0
Others	9	2	7
- Unemployed	0	0	0
- Students	9	2	7
- Housewife	0	0	0
Total	39	18	21

Source: Household survey round 2: April-July 2000

To explore the dynamics of the changes in employment, I asked "Have you or any of your household members changed jobs since 1997?". The respondent from 22 households reported 39 cases of job changes, accounting for 15.3% of the labour force as shown in

⁴⁴ The unemployment rate is calculated from the number of unemployed persons in total active labour force.

Table 5.9. Of these, 21 were female and 18 male. Casual waged labourers appear to be a group that recorded the most frequent changes in employment. More than half of these recorded cases of casual waged workers changing employment were men previously engaged in construction work, an industry that was particularly badly affected by the crisis. The second largest proportion of people who reported changes in job were those previously engaged in the private sector. This group of people, with similar numbers of men and women, mostly worked in tourist industries such as hotel businesses or engaged in the sale and commerce industries e.g. in department stores. A change in employment was least evident in the public sector, explained by the fact that the sector was regulated to protect employees and prevent unfair dismissals. From the discussion, it appears that the impact affected people differently according to the industry engaged in. This may suggest that the industry and the conditions in each industry determined the impacts on the workers.

When asked "Why did you or your household members change employment?", the answers were varied, as shown in Table 5.10. Of public sector workers, the only person who reported changing jobs did so because of ill health. He had in fact taken advantage of an early retirement scheme, set up as part of the ESAPs to reduce public sector employment. However, he claimed that if he had not become ill he would have continued working. If carefully examined, it is clear that he also chose to resign for financial reasons. He in fact received a lump payment of 20 times his monthly salary plus his monthly pension.

Table 5.10: Reason for changing employment classified by sex and employment sector

Reasons	Public			Private			Casual			Own bus.			Others		
	T*	M	F	T	M	F	T	M	F	T	M	F	T	M	F
End contract	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Laid off	0	0	0	7	4	3	0	0	0	0	0	0	0	0	0
Close down or no demand	0	0	0	0	0	0	9	7	2	0	0	0	0	0	0
Squeeze out	0	0	0	3	0	3	0	0	0	0	0	0	0	0	0
Health	1	1	0	0	0	0	3	0	3	0	0	0	0	0	0
Dispute over payment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bad produce prices	0	0	0	0	0	0	0	0	0	5	3	2	0	0	0
Need additional income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	0	0	0	2	1	1	9	7	2
Total	1	1	0	10	4	6	12	7	5	7	4	3	9	7	2

Source: Household survey, April-July, 2000 *T= total, M= Male, F= Female

Most other public sector workers claimed that their working conditions had changed subsequent to the public sector reform under the ESAPs. One public school teacher, Ajan Rassamee explained that her work load was now significantly heavier due to decreases in the number of teachers resulting from increased early retirements and a freeze in public sector recruitment. The government also cut spending on teaching aids, placing increased time demands on teachers in preparing for lessons.

The majority of employees previously in the private sector, both male and female, reported either being laid off (accounting for 70%) or being squeezed out (30%) of their jobs as shown in Table 5.10. Those who were laid off were all engaged in service industry work in hotel businesses as operators, receptionists, bellboys and drivers. The explanations offered by employers to their retrenched employees appear to be consistent with the Northern region report of the BOT (1999). According to the BOT, many hotel businesses experienced severe financial difficulty because of large income reductions arising from reduced numbers of seminars, private company training courses and wedding services⁴⁵. The hotel businesses, who mostly depend on bank loans, also experienced liquidity problem as the central bank employed a strict monetary regime. For those working in the sale and commerce industry the main reason given for redundancies was a drop in sales, confirmed by end of year reports of major department stores. In 1998, the Robinson department store, which employed a number of Ban Wangmoon villagers, announced a drop in sales of 9% over 1996/7 and 4.9% over 1997/8 (SCB, 1999). Downsizing the business together with other belt-tightening measures were strategies employed to sustain profitability (*ibid*, 1999). These retrenchments, according to the household survey interview in Ban Wangmoon, did not appear to be gender-biased, probably because men and women tended to be employed in different departments. Among women, however, discrimination was apparent against pregnant or relatively older women.

Nong La, a 26 year old woman with a high school degree certificate, is a typical case of a hotel maid who was asked to alternate work shifts with her colleagues. She was asked by the hotel management team to come to work every other week and she would be paid according to the number of days she came in. All her fringe benefits, including free lunch,

⁴⁵ During the boom, it was claimed that the income from these functions helped sustain the business during the off peak seasons.

were stopped. She decided to quit work when she did not get paid for two months and was only allowed to work for 2 weeks a month.

According to the Labour Protection Act B.E.2541 (1998), workers who have been employed more than one year but less than three years are entitled to 60 days severance pay. In Ban Wangmoon none of the workers being made redundant received their severance pay. They claimed that by employing them on probationary contracts that were renewed every three months, companies avoided paying. For many private companies, permanent employment contracts and formal retrenchment creates extra costs. As a result, underhand practices such as late payment and reduced fringe benefits were often used. In Ban Wangmoon, three female workers claimed to have been squeezed out of their jobs by worsening conditions and pay.

For those in casual waged work, the majority (9 people) claimed that they changed their jobs because of the low demand for labour, as indicated in Table 5.9. Most of these (77%) were males engaged in construction work. Three female casual waged workers resigned due to pregnancy. Lastly, there were five business owners who reported changing work. All of these were involved in farm production and changed from one crop to another because of unfavourable produce prices.

When asked "What was the response of you or your household members having been affected by a change of employment?", six main response strategies were named. These strategies were (i) successfully looking for new jobs in the same industry (ii) being unemployed (iii) starting new businesses (iv) finding casual work (v) selling assets to generate income or (vi) retiring, as indicated in Table 5.11 on the next page. It was found from the survey that in almost half of all cases, workers managed to successfully find new jobs. This applied to mostly educated workers or those possessing high human resources (who had at least high school certificates). The new jobs were usually found in the same industry of employment that they previously engaged in, including service and sale industries.

Some explanations can be offered for the tendency of the more educated to be more successful in finding new employment. Generally, the industries in which educated people were engaged were quite quick to recover. In particular, the recovery of hotel and retail trade businesses was assisted by the return of foreign investment following the massive

devaluation of the Thai baht. New foreign investment often appeared in the form of takeovers and mergers of existing businesses facing financial difficulties. In the past three years many new supermarkets, such as Lotus-Tesco of England, Makro of The Netherlands and Casino-Top of France, have opened in Chiangmai (SBC, 1999). These have generated new employment opportunities for many moderately educated workers. The job opportunities created also helped to absorb some workers back into the retail sector. Also because these workers were more educated, it is likely that they had a wider choice of jobs.

Table 5.11: Responses to the changes in employment

Responses	Total	Male	Female
Looking and finding new jobs	19	5	14
Being unemployed	4	3	1
Starting new business	3	1	2
Working as casual worker	7	6	2
Selling assets	2	1	2
Retired	2	2	0
Total	39	18	21

Source: Household survey, April-July, 2000

Despite looking for new jobs, some workers remained unemployed. This group consisted mostly of new graduates. In response to the declining demand for construction labourers, most construction workers shifted to other forms of casual waged work.

Gender biases in the changing employment patterns were not clear, with reported cases of changes in employment being equally distributed between men and women. On asking female workers who changed jobs "Do you think your employers laid you off because you are women?" the answer was "no". However, their claim that no gender discrimination for retrenchment was apparent to them may be because their co-workers were mostly women. It can be argued on general grounds that the impact of the crisis on employment with regard to gender is determined by the existing structure and the gender segregation in the labour market. Due to existing gender segregation in the labour force of Ban Wangmoon it is difficult to isolate gender biases with regards to retrenchment of employees under the effects of changes in economic conditions.

The impact on nominal income⁴⁶ and returns

During the economic boom, as Paw Luang Sriton, a key informant describes, money was so easy to find. He put it that "anything you touch is money" meaning that whatever you do, you can generate income. Oui Pan also said that casual waged labourers, especially the construction workers, had a consistent income stream during the boom. This income was partly used to support hired labour in farm production as well as covering household expenditures. Women were engaging more in paid work in farms, factories and the service industries.

A turning point in this stream of high income was evident in 1997. According to the household survey, the average annual income of Ban Wangmoon households decreased from 44,900 baht per household in 1997 to 42,500 baht in 2000. This means that the average annual household income fell by approximately 1.8% per annum while the consumer price index rose by 3.33% annually (BOT, 2002). Hence, the real income of Ban Wangmoon villagers declined significantly following the crisis.

On asking household representatives "Could you compare your household annual income in the year 2000 with the year 1997?", 68% of households claimed that nominal household income had dropped or not changed, as shown in Table 5.12. The remaining 32% of households claimed their average income had increased by 3.3% on average over 1997-2000. It was also found that negatively affected households experienced a sharper decline in income of roughly 18.9% on average.

Table 5.12: Change in average annual household income between 1997 and 2000

Changes in income	Number of households	Average income changes (%)
Decrease	39 (33.91 %)	-18.9 %
Constant	39 (33.91 %)	0 %
Increase	37 (32.17 %)	3.3 %
Total	115 (100 %)	-5.4 %

Source: Household survey, April-July, 2000

Of all the 39 households claiming a decrease in income, 31 households had their main livelihood based on casual waged labour, 3 ran self-owned businesses⁴⁷ or were self-

⁴⁶ The discussion on the changes in income appearing in the empirical findings (Chapters 5, 6, and 7) are nominal income. For comparison purposes, the next section presents changes in the prices of goods and services to roughly reflect the changes in real incomes.

employed, whilst 5 worked in the private sector, as shown in Table 5.13. The decline in casual income was mainly the consequence of the collapse of the property sector, previously a main source of construction work and income for a lot of casual labourers in Ban Wangmoon. The casual nature of construction work favoured labourers during the economic boom due to the high flexibility of the working contract. Contracts regarding payment and length of work were usually agreed verbally. When the work was urgent and there was a short supply of labour, the employers/subcontractors would offer higher wages. However, during the economic crash the informal nature of the industry placed labourers in a vulnerable position (forced diversification of strategy). Following a drastic decline in demand for construction labourers, workers accepted lower wages in order to secure income. The low demand for labour together with a freeze in the minimum wage after 1997 implied a lower and less consistent stream of income for workers who remained in the industry.

Table 5.13: Changes in income classified by type of main livelihood

Changes in income	Numbers of household	Types of main livelihood	
Decrease	39	Casual	31
		Private	5
		Public	0
		Own business	3
Constant	39	Casual	0
		Private	0
		Public	1
		Own business	28
Increase	37	Casual	7
		Private	13
		Public	5
		Own business	12
Total	115		

Source: Household survey, April-July, 2000

The decline in income of casual construction workers had significant repercussions in Ban Wangmoon, especially in the farming households that relied on the income to supplement farm production. The loss of supplemental income from casual wages caused a shortfall of capital and financial input required for agricultural production. This further contributed to

⁴⁷ Self-owned business refers to the business that is run and owned by the worker whilst self-employment refers to work that is carried out by individuals for the whole process of service/production but workers do not own the business themselves.

a declining demand for hired farm labourers. Although male labourers were negatively affected by the declining demand for labour, many of these labourers would take on hired agricultural work while waiting for the next construction job. In effect this meant that some female farm labourers were pushed out of agricultural jobs by returning males. Although farm work has little gender discrimination, it was found that work involving machinery, chemicals or advanced technologies such as ploughing, spraying pesticides and applying fertilisers were all carried out in preference by male workers.

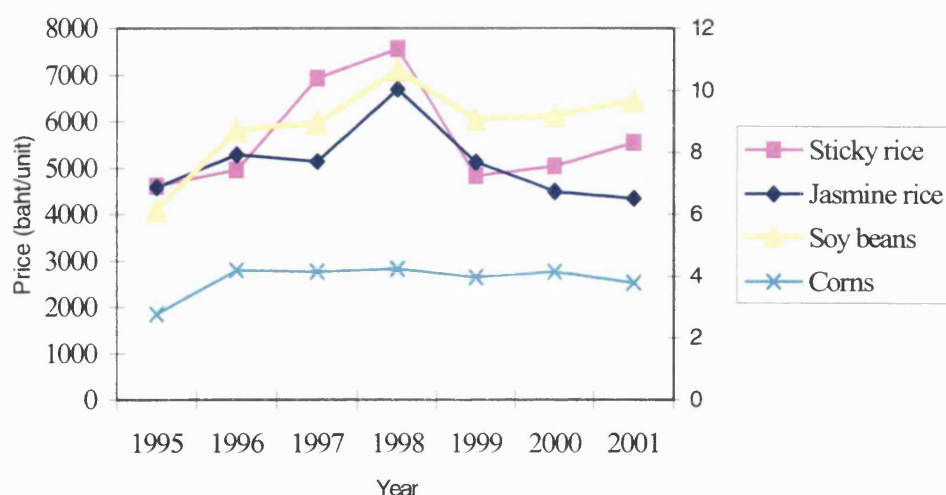
Of the total number of 37 households having reported an increase in income, 5 were engaged in the public sector, 13 worked in the private sector whilst 12 households ran self-owned businesses and 7 worked as casual waged workers as shown in Table 5.13. As previously mentioned, increases in public sector income were approximately in line with inflation (Office of the Civil Service Commission, 1998; Kakwani, et.al, 1999). However, fringe benefits such as subsidised health care and private education were halted (Thairath, 13 June, 2002).

The majority of people with their own businesses who reported an increase in income derived their earnings from farm production. According to the Office of Agricultural Economics (OAE), the prices of the farm produce grown in Ban Wangmoon were increasing up to 1998, the year following the economic crisis, as shown in Fig. 5.6. The devaluation of the Thai baht can be viewed as contributing to the increase in prices of cash crops. However, from the household survey, it was found that not all farmers benefited from these price increases in the market. It is evident that only the eight richest agricultural households, or those who owned substantial areas of farmland (8-15 rais), were able to respond to the market signal and adjust their crop pattern in a successful manner. That is because the rich farmers had better access to information, better connections with the input providers and most importantly better control of resources, including financial resources. In general terms they had higher quality human and social resources that gave them better market knowledge and working relations. This would have enabled a successful change from growing subsistence crops (mainly sticky rice) to growing more cash crops (jasmine rice) at appropriate times. However, many farmers claimed that although the market price of some produce increased in the first year after the crisis, farmers did not receive a fair portion of the profits. Their low bargaining power meant they were unable to negotiate better prices with the middlemen or rice mills. They also

claimed that because prices of agricultural inputs also increased, overall they gained nothing.

Poorer farming households that shifted their crop pattern in a similar way to the rich farming households faced another problem. With limited material resources, and particularly size of farm, all production had to be switched to cash crops. As a result, farmers were forced to sell their produce immediately after harvesting in order to raise money to buy sticky rice back from the mills for home consumption. That is to say, most of the profits gained from growing higher priced jasmine rice had to be spent on buying sticky rice that they would otherwise have grown.

Figure 5.6: National prices of the main agricultural produce in Ban Wangmoon at farm gate 1994-2001



Source: Office of Agriculture Economics

The gender implications of the changes in farm income can be traced from the financial management of production. Although women are in charge of all household budget management, when it comes to financial management roles in farm production, it is usually considered men's responsibility. These tasks include negotiation of sales and debt repayment and management of farm money. It is a common practice in farm households in Ban Wangmoon that, after selling farm produce, men would repay some of their debt, keep some pocket money and distribute the remaining money to their wives. Pahl (1983) referred to this as a “whole wage system”. The implications are that regardless of how

much income from sales or costs of input have changed, the gendered impacts are chiefly determined by the negotiation between husband and wife over the use of farm income. In rich farming households, the additional income earned from an increase in crop prices was usually spent on luxury goods rather than being transferred to the wife for household budgeting. Ruang, the rich farmer married with two sons for example, bought a new motorcycle for his son after the sale of jasmine rice, while his wife received the money remaining after paying for agricultural inputs and milling. She claimed that the amount of money she received was little different from before. It is evident in the case of Ruang and Bangorn that although farm income increased, some women did not benefit from a trickle down effect when men decided to keep all the extra income. At the other extreme, increases in farm income would unilaterally benefit women if men passed on all the money to them. This tended to happen more in poorer farming households, in which women were involved in all aspects of farm production. This responsibility for household budgets and farm financial management implies a higher autonomy and status of women within the household. At the same time, with this comes the burden of responsibility in coping with the economic hardships. In Ban Wangmoon, the common practice in household farm management tends to fall between these two extreme cases, with similar implications for gendered intra-household relations.

The impacts on expenditure⁴⁸ and prices of necessities

When asked "How have your household expenditures changed since 1997?" the majority of respondents (93.9%) claimed that their household expenditure had risen. The household survey reveals that the average annual household expenditure increased from 46,320 baht pre-crisis to 48,050 baht three years after the crisis, approximately a 3.7% increase. This

⁴⁸ Expenditure can be classified into four main categories including inputs, consumable goods, petrol prices and utility bills. Firstly, expenditure on inputs refers to all expenses that occur from productive or income generating activities. Outputs of products are sold in the market for cash. Example are agricultural production inputs such as labour, seeds, rent for land, and thread and needles for sewing businesses. Secondly, expenditure on consumable goods included all expenditure spent to maintain or increase the welfare of household members. This covers a wide range of expenditure such as spending on health care, food, medicine, and education services. Consumable goods also include all donations for religious and social events for example, contributions to funerals, housewarmings, weddings, and religious ceremonies. Such donations are included in this category because they play an important role in maintaining the household's social relations with other households and the village's social institutions. Thirdly, the expenditure on petrol was classified as a separate category because of its very substantial negative affect on the households. Lastly, the utility fees include expenses on water, telephone, and electricity bills.

means that expenditure had increased by 1.2% per annum: rather less than the average increase in annual CPI of 3.33% per annum between 1997 and 2000 (BOT, 2002).

It was commonly claimed during the household survey interviews that increases in expenditure stemmed from price rises for products, rather than an increase in the volume of products purchased. However, there were reports of a decrease in household expenditure for some households, accounting for 10% of households, as seen from Table 5.14. Almost 7% of households reported no change in household expenditure.

Table 5.14: Change in average household expenditure between 1997 and 2000

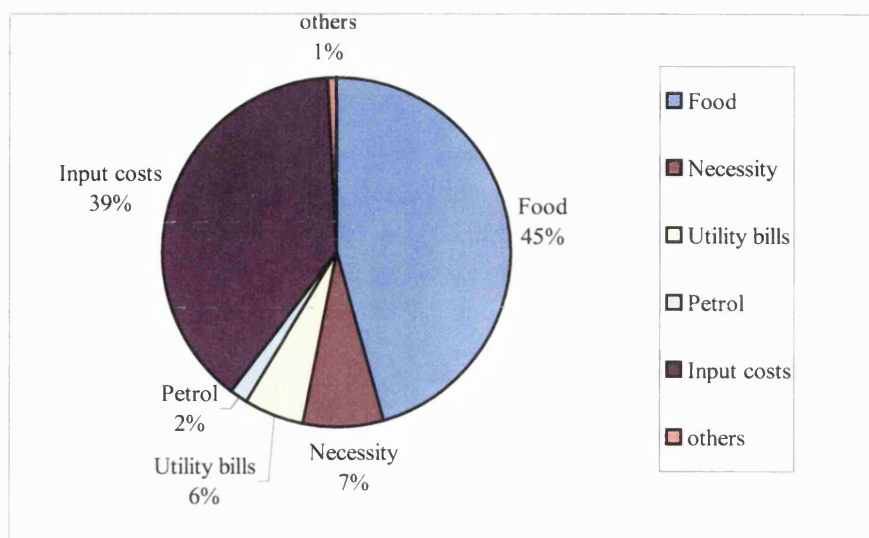
Change in household expenditure	Number of households (%)	Percentage change
Increase in household expenditure	95 (82.6)	5.4%
Decrease in household expenditure	12 (10.4)	-7.1%
Constant household expenditure	8 (6.9)	0%
Total	115 (100)	3.7%

Source: Household survey, April-July, 2000

In depth analysis revealed that respondents who claimed their expenditure remained the same were inevitably affected detrimentally by increases in prices. As shown in Fig. 5.7, the largest proportion of the average household budget was spent on food, accounting for roughly 45% of total household expenditure. The second largest proportion of spending was used on input for production adding up to 39% of total budget. On average, only a small proportion (1%) was used on other expenditure such as savings and luxurious spending and this area of expenditure was the first to be adjusted during the crisis.

Some households could not afford to increase their household expenditure due to income constraints. These constraints on available material resources were usually associated with changes in employment after job-loss or frozen wage packets for those employed in the private sector. Changes to household expenditure patterns and budgeting were required to cope with price increases. For the households reporting decreases in expenditure, many claimed that following decreases in household income they struggled to adjust the household budget to accommodate price changes.

Figure 5.7: An average of household budget composition



Household survey: April-October, 2000

As shown in Table 5.15, increased prices of consumable goods was the category most recognised by respondents, whereby almost 94% were aware of or affected by such changes. The second most frequent claim (by 81% of respondents) was an increase in utility bills. A similar proportion of males and females were aware of rises in utility costs. Less respondents claimed to have experienced an impact from increase in household input costs and petrol prices. For both categories, less than 50% of households claimed a negative effect. The following subsections now discuss the impacts of increased costs in each category.

Table 5.15: Change in prices of necessities in Ban Wangmoon between 1997 and 2000

Change in price of necessity*	Total respondents	Male	Female
- increase in input costs	54 (46.9%)	21 (50.0%)	33 (42.2%)
- increase in consumable goods	108 (93.9%)	41 (97.6%)	67 (93.1%)
- increase in petrol prices	38 (33.0%)	16 (38.1%)	22 (30.1%)
- increase in utility bills	93 (80.9%)	34 (80.9%)	59 (80.8%)

*The respondents were asked to compare the price of the same period in 1997 and 2000 to avoid the seasonal effects

Source: Household survey: April-July, 2000

Impact of increased input costs

As previously stated, there are three main household income generating activities/businesses, namely agricultural production, agricultural trading and food and

grocery shops. This sub-section analyses the increase in the input costs of each business in turn.

Agricultural input costs: This section aims at comparing the costs of agricultural production before and after the economic crisis with particular attention paid to sticky and jasmine rice and soy bean, the main crops in Ban Wangmoon. Table 5.16 gives a comparison of the production costs for jasmine and sticky rice before and after the economic crisis. The data was gathered from the village farmers' groups and crosschecked with Ruang, a key informant, and Hirunya, the owner of the Yaowalak agricultural input shop. It was found that on average the costs increased from 1,811 to 2,456 baht per rai or by 36% per rai, over the three years following the crisis (1997-2000)⁴⁹. Some input costs did not change, including land rent, seeds, labour for planting and harvesting and fees for irrigation usage.

Table 5.16: Comparison of production costs for sticky/jasmine rice before and after the economic crisis (baht/rai)

Cost	Before the crisis	After the crisis	% change
Rent	450 baht + 7 tungs of rice	450 baht + 7 tungs of rice	0
Seeds	Previous year's	Previous year's	0
Labour	240	240	0
Ploughing	400	600	50
Fertiliser (16-20-0)	45	70	56
Pesticide	36	66	83
Weed killer	50	60	20
Labour for harvesting	300	300	0
Tying	150	180	20
Milling	420	630	50
Transportation	70	210	200
Irrigation service/yr	100	100	0
Total	1,811	2,456	36

Source: Interview with male farmers group committee, April, 2000, This information has also been triangulated with Yaowaluck Agricultural Input shop, Chiang Dao District, Chiang Mai Province and Ruang, key informant.

⁴⁹ The information was gathered during the focus group interview with male farmers group. Sriton Somon, head of farmers' group, Kamruang Boriboon, Boonsong Tammakan, and Prasert Nuanfan. The farmers group is a government organised group. All the members are men usually the head of the agricultural households

Agricultural waged labour, an important agricultural input, was reported as changing little in cost after the economic crisis. Waged labour is used mostly during planting and harvesting. Wages remained unchanged since 1996 (120 baht per day for both men and women), kept low by a reverse migration of labour from the construction industry and an increase in unemployment and underemployment. Although wages for farm labour have not changed, there has in fact been a decrease in demand for agricultural waged labourers. This is because agricultural households lost income that was usually spent on hired labour during the peak season. The agricultural households have changed from hired labour to other forms such as exchanged labour or sharecropping. For some households reliant on undertaking casual waged labour it was necessary to accept lower wages for farm labouring. For example, Ampa exploited her social resources in that she negotiated with landed households for lower paid work so that both she and her husband could work together to increase their overall income.

Among all rice production inputs, there are six main input costs that have been affected by the economic crisis. These include ploughing (tractor rental), tying, transportation, fertiliser and pesticide and weed killer costs. Out of all six inputs, transportation costs have risen most markedly due to increases in oil prices. Fertilisers, pesticides and weed killer, are also imported inputs. According to the Fertilizer Advisory, Development and Information Network for Asia and the Pacific (FADINAP, 2002), the fertiliser retail prices in Thailand increased from 6,000 baht per ton in April 1997 to 7,245 baht per ton in the same month in 2000. FADINAP has shown clearly that the value of the Thai baht plays a significant role in determining the retail price of fertilisers in the country, as shown previously in Fig. 3.18.

A comparative study of the changes in production costs for other agricultural products, such as soybeans and tomatoes, reveals similar trends. The prices of imported inputs have invariably risen. Among all farmers, the landless sub-contracted farmers who had low material resources seem to be the most negatively affected as they have the burden of paying for almost all agricultural inputs including seeds, fertiliser, ploughing rent and land rent, among others. They could compensate for this by not paying for labour, but instead had to exploit their own human resources by working harder and for longer hours on their farm.

It may be argued that farmers had felt the impact of the economic crisis and the ESAPs mainly through the increases in agricultural input costs, which can be linked to two adjustment policies, namely (a) devaluing the Thai baht and (b) reducing government subsidies for oil and agricultural activities. At ground level, farmers encountered increased costs of inputs involving petrol usage and imported goods. It is noteworthy that not all farmers had experienced the same degree of impact. As pointed out, landless farmers who are highly dependent on sub-contracted farming seem to have been the most negatively affected due to their increased vulnerability to price changes i.e. close market proximity.

Trading business costs: Trading business in Ban Wangmoon focuses on agricultural produce. While male traders deal with large-scale contracts such as longan and lychee trading, female traders deal with small-scale trade including vegetables. Both large and small-scale trade are carried out in much the same way. The traders contact the farmers and negotiate a price. Often current market retail prices are used as a benchmark. However, the traders generally have the upper hand when bargaining with the farmers, since if the farmer fails to sell a crop at the right time the crop may be wasted. Once sold produce is then transported to the canned food factories using pickup trucks in the case of large scale trading. For vegetable trading such as aubergine, cabbages and homegrown vegetables trading, the produce is transported using large baskets attached to a motorcycle, usually to the market for sale by female merchants. Small-scale traders can also use their motorcycle as a productive resource by using it as a mobile shop, selling their produce in the nearby villages. The three main inputs in this business are labour, agricultural produce and petrol. The labour cost is a time input rather than a financial one as the trader works alone. The cost of agricultural produce fluctuates with changes in market prices. The impact of changes in agricultural produce prices on profit is not transparent but is likely to be minimised by the traders. The only clear impact, which all traders have experienced, is the increase in petrol prices as previously mentioned in Chapter 3.

Inputs for food and grocery shops: There were six food and grocery shops included in the survey, all family run. In all shops, both men and women participated in the business. Usually, women were responsible for budgeting, accounting, pricing and stocktaking. In most shops, the money is kept in a cash box to which both husband and wife had access

and control over. During the semi-structured interview with Phi Wan⁵⁰, she claimed that her shop had been affected by the general increases in product prices. The prices of personal care products such as detergent, shampoo and soap have particularly escalated. She claimed that increased prices were caused by rising transportation costs. The price of other products/produce that are produced locally have also increased but not by as much as these daily products. Food seasoning prices have also increased. Wan also claimed that she had been affected by increases in petrol prices in that she had to ride a motorcycle to the fresh market every day to buy food stocks for the shop. The trend of increasing supply costs were also confirmed by Paa Inn, the owner of the biggest grocery shop in the village (semi-structured interview with Paa Inn, July, 2000). Both Phi Wan and Paa Inn claimed that they responded to the increase in the costs by raising the price of goods. However, they were obliged to reduce their profit margin in an effort to retain their customers. It can be argued that the effects of increased input prices were jointly borne by shop owners and customers.

In summary, the villagers who have self-owned businesses had been affected by the increases in production costs arising mainly from increases in input prices caused by the economic crisis. Items of input that involve transportation or petrol costs seem to have been the most severely affected. Imported products have also been affected because of the lifting of subsidies and the devaluation of the Thai baht under the ESAPs. The gender implications of these changing input costs are determined by three main factors. These are the way businesses are organised/managed, the response strategies that attempt to pass on increased costs and the gender relationship between men and women involved in businesses.

Impact of increases in consumable goods prices

In addition to the impact of the economic crisis and the ESAPs on production costs, increased consumable goods prices were claimed to have affected more than 93% of households following the economic crisis. Prices for a range of consumable items bought in Ban Wangmoon are shown in Table 5.17, for which the average price increase was 30.7%. All items of consumable goods sold in the village underwent an increase in price

⁵⁰ Wan owns a noodle and grocery shop. Her shop is the second largest shop in the village selling fresh meat, daily products, seasoning and food.

except vegetable oil, salt, lard and dried fish, the cost of which remained unchanged, and sticky rice, the price of which dropped by 12.5% between the start of the crisis and July 2000. After the economic crisis, the price of sticky rice has fluctuated due to the shifting crop patterns of farmers, fluctuating between jasmine and sticky rice production. However, compared with the national average price of sticky rice before and after the economic crisis (1997-2000), the national figure changed less, dropping by 8.53% (BOT, 2001)⁵¹. The fact that the price of sticky rice in Ban Wangmoon markedly declined indicates that surplus sticky rice was being grown within the village, while the general demand for sticky rice dropped.

It can also be seen in Table 5.17 that the products that underwent the most drastic increases in prices were mostly personal care or cleaning products such as shampoo (200%) and detergent (150%). This is because most of those products either contain a high import content or are imported wholly for repackaging in the country. The three main producers of these products are the Unilever group, having headquarters in the UK, the Lion group having head quarters in Japan and Procter and Gamble having headquarters in the USA. In Procter and Gamble's Financial review 2001, it was stated that sales in Asia dropped for two main reasons. Firstly, the purchasing power of people declined. Secondly, the higher prices of products resulting from the higher costs of production, in turn caused by the higher prices of imported input, further reduced the demand for products (Procter and Gamble, 2001 page 17).

⁵¹ Calculated from the price of 1996 crop year and 2000 crop year. Data used is collected from Bank of Thailand, 2001

Table 5.17: The comparison of consumable products prices before and after the economic crisis (baht/unit)

Products	Ban Wangmoon				
	Before crisis (baht/unit)	After crisis (bath/unit)	%	Duty	
				M	F
Pork	80	90	12.5		*
Chicken	53	60	13.2		*
Beef	68	78	14.7		*
Eggs (small)	20	24	20.0		*
Eggs (large)	Not for sale	Not for sale	0		
Vegetable oil	10	12	20.0		*
Fish sauce (small)	10	12	20.0		*
Fish sauce (large)	25	Not for sale	0		*
Light soy sauce	28	38	35.7		*
Dark soy sauce	10	15	50.0		*
MSG	1	5	400.0		*
Sticky rice	8	7	-12.5		*
Jasmine rice	14	17	21.4		*
Sugar	14	16	14.3		*
Shallot	29	50	72.4		*
Garlic	31	62	100.0		*
Dried chilli	5	5	0		*
Salt	1	1.5	50.0		*
Shrimp paste	6	9	50.0		*
Anchovies	2	6	200.0		*
Runner beans	5	7	40.0		*
Detergent (sachet)	2	5	150.0		*
Detergent (small)	5	12	140.0		*
Soap (Parrot)	7	9	28.6		*
Soap (Lux)	10	13	30.0		*
Tooth paste	18.5	20	8.1		*
Shampoo	1	3	200.0		*
Condensed milk	18	20	11.1		*
UHT milk	9	11	22.2		*
Snack	2	5	150.0		*
Medicine	5	5	0		*
Total*	472.5	617.5	30.7		*

Note: data gathered from focus group interview with women group, July, 2000

A similar study by Prapart and Kritsada (1999) on the economic crisis and its impact on rural poor examined the impacts on the cost of living in the three different regions of north, south and northeastern Thailand. They compared the price of 19 consumable goods items and found that the price for most items increased by 20-60% (Prapart and Kritsada, 1999 page 176). The finding seems to indicate the same trend as occurred in Ban Wangmoon. The selected consumable price data collected by the Department of Internal Trade (DIT) (Table 5.18) gives a similar picture.

Table 5.18: Price of selected consumer products

Consumer products	1997	2000	% change
UHT milk, Foremost (1 carton)	8.50	10.00	17.6
Condensed milk, Mali (379 gram)	16.50	18.00	9.1
Vegetable oil (Angoon) Bottle	33.00	38.00	15.2
Fish sauce (Tipparat) Bottle	20.00	23.00	15.0
Detergent (Breeze) 1.5 kg.	60.50	72.00	19.0
Toothpaste (Colgate) 200 gram	37.00	67.00	81.1
Imodium (4 tablets)	24.00	30.00	25.0
Tiffany (4 tablets)	5.00	6.00	20.0
Paracetamol (500 ml)	29.00	35.00	20.7

Note: data collected from Department of Internal Trade, 2001

Impact of increases in petrol prices and fees for utility usage

As mentioned in Chapter 3, petrol prices in Thailand increased drastically after the devaluation of the Thai baht. Moreover, the government removed all forms of subsidies on petrol (LOI 1, 1997). Increases in petrol prices negatively affected a large proportion (33%) of Ban Wangmoon households. The households who claimed to have been adversely affected can be classified into two categories. Firstly, some farm households had to pay more for petrol used in ploughing, for water pumps, mills and transportation. Secondly, the medium or rich households who owned cars, pick up trucks and motorbikes were inevitably affected. While the farmer groups claimed that they were left with no way to respond to the changes in petrol prices, the rich households could find ways to reduce usage of cars and pick up trucks, often using motorbikes instead. This would have involved less frequent visits to town and fewer unessential journeys or “pay thiew”.

Utility fees for electricity, water and telephones were adjusted following the crisis (*ibid*, 1997). The increase in VAT from 7% to 10% under the tight fiscal policies implemented in August 1997 inevitably contributed to these charges (*ibid*, 1997). The government also adjusted the costing scheme used to calculate user charges, in an attempt to more accurately reflect the real cost of production. The increases in utility bills were claimed to negatively affect almost 50% of households in Ban Wangmoon. Most of these households were medium to rich households who owned high levels of luxurious resources, including electrical appliances such as washing machines, videos and TVs. Poorer households that felt an impact from increases in utility bills claimed that they were unable to adjust their electricity or water usage because they were economising on usage even before the crisis struck. Within some rich households, women appear to have borne the burden more

severely. Bangorn, for example, stopped using her washing machine and spent more time hand washing clothes in order to save on electricity. In this context it could be suggested that women in rich households were put under pressure to substitute usage of luxurious resources with usage of human resources of time and labour.

Overall, all four types of expenditure of input for production, petrol, consumable goods, and utility bills increased compared with the pre-crisis period. In nearly all cases these increases can be linked in varying degrees to three main economic changes. Firstly, the devaluation of the Thai Baht had a direct impact on all imported products and especially petrol prices. Secondly, the removal of subsidies on petrol further escalated price changes. The curtailment of subsidies for state utility enterprises, including water, electricity and telephone companies, also meant increased usage costs. Thirdly, the increase in VAT also impacted on utility bills as well as other products.

Invoking a gender perspective when analysing the increases in consumable expenditure, it can be argued that direct negative impacts were mostly borne by women. This is because it is apparent that there is a clear gender division of expenditure in Ban Wangmoon in that women are responsible in providing and shopping for household consumable goods, as shown in Table 5.16. Triangulating data using the direct observations of Bangorn over a normal day confirmed this hypothesis. Bangorn goes shopping for food and seasoning at the local grocery shop twice a day at 7 o'clock in the morning and 3 o'clock in the afternoon. During shopping, it is also apparent that most customers are female. However, it should not be interpreted that men did not feel negative impacts from increases in consumable goods prices, particularly in households where there was an absence of female members. It should also be noted that men in general may feel a transferred impact by the lower quality or quantity of food consumed due to the adjustment of the items bought in response to the increase in prices.

As the majority of households have women as household budget managers, who play a significant role in providing household welfare, it is argued that female members in Ban Wangmoon played vital roles in searching for survival strategies during the crisis. In response to the increases in prices of food and other necessities and depending on circumstances, women would adopt various different strategies, including:

Strategy	Resource implications
(a) increased budget, same products and quantity,	Mobilisation of physical and financial resources
(b) same budget, same product but less quantity,	adjustment of physical resource usage
(c) same budget, cheaper product but same quantity	adjustment of physical resource usage (opt for cheaper resource)
(d) smaller budget, cheaper products, smaller quantity with home-grown food supplements	Substitution with the more expensive physical resource with natural resources
(e) asking for credit, smaller budget, cheaper products, smaller quantity	utilising social resources and reducing physical resource and increasing in natural resource usage
(f) selling assets to raise cash for consumption.	utilising physical (particularly luxurious) assets

The different circumstances of women and particularly the resource portfolio with which they are equipped determined the survival strategies adopted. For example, rich women were able to maintain the same quantity and quality of food consumed by simply increasing their budget, whereas poor women had to cut their budget and substitute meat with bought or home grown vegetables. The middle income women were able to maintain the same budget but had to buy cheaper types of food. Although women from different classes employed different strategies, it is argued that in terms of household survival, it was women who had to bear the pressure of decreases in real income.

The natural resources openly available in Ban Wangmoon village played a significant part in cushioning the impact of the economic crisis on women and especially women in middle and poor households. These resources included edible fruits and vegetables growing naturally around the residential areas. Close social connections between villagers, neighbours and relations also created a social safety net for women.

The impact on health and education service provisions

In the results of the household survey, there was no evidence of students dropping out during or after the economic crisis. This can be explained partly by the protective approach of the ESAPs towards education, as well as the value attached to education by parents. Ban Wangmoon villagers, like Thais from other parts of the country, view

education as a good investment for both children and parents (Knodel, 1993, 1997). Parents clearly value education as an individual human resource, believing that investing in children's education will increase vocational opportunities and earning power. They also believe that their children will be better able to support them in their elderly lives. The job ranking and wealth ranking tasks also suggest that educating children will help households to move up the social status ladder, particularly as children with better qualifications will be able to get higher status jobs. In general, parents prefer to support their daughter's education because they believe their daughters will be more likely to repay their parent than boys, both in terms of gratitude and financial support in later life (Knodel, 1997). Interestingly, it is generally accepted that boys can repay their debt to their parents by entering the monkhood for a period of time, which girls are not allowed to do.

The principal of Ban Wangmoon village school gave a rather different explanation why children still remained in school following the crisis (Interview with the principal, December, 2000). He believed that children stayed in school mainly for immediate financial benefits. For the village school there are no tuition fees and lunch and milk are provided free, which all helps to lift the burden on parents of looking after and feeding children. In this way the school provides free access to both reproductive resources and the potential of human resources i.e. qualifications. Nonetheless, cuts in government spending on education did have some negative impacts on schools. For example, the school budget for books and notebooks was cut significantly. At the time of survey, one book had to be shared between two students whereas before each received their own book. The principal also claimed that there were no students dropping out from school, and in fact two boys moved back to the village school from the district school. This was because their parents, who lived in the village, had lost their jobs and were unable to cover the transportation costs, lunch and tuition fees. Apart from the reduction in financial support from the government, the donations from private companies and individuals after the crisis also declined. In the past, many companies and politicians donated some items such as school uniforms, electric fans, money and sports equipment to be used by the school children. After the crisis, the amount of donations declined massively.

The new government led efficiency approach towards education also caused problems. In Ban Wangmoon school there were a total of 68 students in December 2000. Those students were spread between 7 classes from kindergarten level to grade 6. According to

the new efficiency approach following ADB guidelines, schools should have one teacher per 25 students (Thairath, June, 2002). On the date of the interview, there were in total 6 teachers in the school including the principal. However, there were still difficulties in covering 7 teaching classes at once. The principal claimed that it was impossible to apply this new efficiency approach at the school without merging classes of different level students.

From the household survey, it is apparent that the majority of households did not change their health care practices following the crisis. Specifically, the middle income and poor households that previously used free health care services from the local health station and local hospital carried on using them. The group that seemed to be affected most were the relatively well-off households who had a personal preference in using private health care services. After the economic crisis and the devaluation of the Thai baht, the costs of medication and especially imported drugs escalated. Hence, charges for health care services in the private clinics and hospitals increased. In response to the increase, some households changed back to using free public health schemes. Other wealthy households preferred to pay more to continue using the private health care, believing that the higher quality of service was worth paying extra for. Some households adjusted their behaviour by going to the health station only if the illness was not serious but otherwise chose to go to a private clinic.

Interviews with the local health station officer and the statistician at the research division in the local hospital about government adjustments revealed that a reduction in the government budget in public health had affected the service. The government halted any construction projects, reduced medication stocks at the local health station, reduced imported medications and froze staff recruitment (interview with local health station officer and the statistician at the research division, Nakorn Ping Hospital, December, 2000). The reduction in the medication stock at the local health station reduced costs but also implied a delay in treatment for some villagers. The health station officer claimed that she could only stock basic medication such as painkillers, diarrhoea medicine and allergic reaction pills all of which are relatively cheap and can be easily bought from the grocery store.

It was also pointed out by the statistician at the local hospital that there had been a large cut in imported medicines. Patients could request imported medication but had to bear the cost

themselves. It is also evident that an increasing number of patients used the free health care scheme causing high tension within the health services. This tension included lack of staff and beds: the waiting times for patients being almost twice as high as before the crisis. Moreover, new evaluations of hospital performance, assessing the efficiency of treatment, created a negative impact for patients. From the semi-structured interview with the statistician, the budget for the hospital was calculated from the number of in-patients per year multiplied by a fixed budget amount. That means that, if the hospital could generate a high turn over, they would be given a higher budget in the following year. This type of evaluation can create an incentive to discharge patients prematurely, with increased risks of delayed recovery or further health problems.

Household case studies: Impact, response and contributory factors

As previously mentioned in Chapter 4, the impact of shocks and the response of individual actors to those changes are complex and dynamic. This dynamism is difficult to capture using the aggregate data such as that presented in the previous section. Moreover, individual actors tended to have their specific context that is highly important in explaining certain impacts or the response one chooses to employ. To elaborate this dynamism of the impact and the response of actors to the economic changes, I have selected five case studies with different socio-economic backgrounds for discussion. The following sections discuss and analyse the case studies in order to learn about the process of impact and response in each case. The section is loosely divided under sub-headings that state the main factors that are investigated in the case studies. However, these subsections are not intended to rigidly frame the analysis and so points of discussion and conclusion will be drawn as and when appropriate.

Market proximity and resource portfolio

Oui Ma is a poor (according to the wealth ranking) old lady aged 72 years. She is originally from Ban Wangmoon and has been living here for all her life. She was married to her husband when she was 15 and they had lived together until he passed away in 1993. Among them, they have four children, two sons and two daughters. *Oui Ma* and her husband used to grow rice and soy beans on their own farm. Following the death of her husband *Oui Ma* retired from farming and divided up their 12 rais of farmland to give to her children. She also gave her residential land and house to her children and moved into a

small hut built by her son (Boonlert). Boonlert and Oui Ma's other son Pan took responsibility for all expenses related to their mother, including the Shapanakit fees, electricity and water bills. Oui Ma has a free healthcare card because she is classified as poor by the public health administration (her annual income is less than 20,000 baht a year).

The death of Oui Ma's husband was obviously a critical event in Oui Ma's life that had a major impact on her personal resource base and livelihood. The splitting up of both her residential land and farmland can be seen as a mobilisation of physical resources. In turn, the Thai parent-child relationship, governed by the Bunkhun ideology, becomes a form of social resources upon which Oui Ma can draw in her retirement. In effect, these particular social resources of Oui Ma translate into physical resources of services such as electricity and water, which are paid for by her sons.

Although she stated that she has already retired, I could still observe her occasionally helping with the farm work when her sons were short of labour. She did not do this for payment, and justified it to me by saying that she was bored sitting around and not doing any work. However, doing odd jobs for her son could also be interpreted as a further investment of her human resources to strengthen the social ties with her sons.

Of all the case studies in Ban Wangmoon, Oui Ma was the only individual who claimed that she experienced no impact from the economic crisis and the ESAPs. She simply explained that this was because she did not work and at the same time did not spend money on anything. The majority of household case studies claimed that they had experienced a great impact from the crisis, which makes Ma's response even more outstanding.

"I don't feel any impact of the crisis. Why would I? The electricity fee is paid by Boonlert.. I also get the drinking water from there. Pan gives me a year supply of rice. (Pan grew rice himself). I am not fussy about what I am eating. I can just eat the vegetables growing [naturally] around the house. I don't buy food. This money (she shows a 20 baht bank note) is given to me by Boonlert about a month ago. I still have it. It lasts me for so long. (Interview with Ma, 17 December, 2000).

Although Oui Ma claimed that she had not been affected by the crisis, this excerpt from the interview highlights two important points. Firstly, Oui Ma may not have been directly affected by the economic crisis but she must have been aware of the shocks as her electricity bills are paid by Boonlert. She felt no direct impact of shocks mainly because they are being cushioned by her sons. The relationship with her sons is clearly a strong

social resource, backed up by the socially expected parent-child relationship, that deflects all the possible negative impacts. Secondly, Oui Ma's own ability to identify and harvest edible un-cultivated vegetables reduces her degree of dependency on the food market. Hence the escalating food prices do not directly affect Oui Ma.

It may also be argued that Oui Ma did not feel any direct impact of the crisis because of her isolation from the market, both for work and food. Hence, according to the four channels impact, the changes in employment, income and expenditure would not affect her. The free healthcare card that she holds also cushioned her from the increased costs of healthcare that she would have otherwise had to face following the crisis. It is likely that the quality of health care service that she obtained deteriorated following the price changes subsequent to the shocks. However, it may be wrong to conclude that she was invulnerable to the impacts of the shocks. The shocks may have been transmitted to her if her children could no longer cushion their effects. Her own human resources such as the knowledge to identify naturally growing foods also helped in keeping her independent of the market. In conclusion it can be contended that in Oui Ma's case, though she is considered poor by the PRA groups, she did not experience a direct impact of the shocks because she was able to utilise her rich social resources and had very little dependence on the market.

Let us now turn to the other case study of a poor household: the "*Som and Ampa*" household. Som and Ampa are aged 46 and 44 respectively and were both born and raised in the village. They have two twin sons of 8 years old. From the household survey and the in depth interview, it is evident that the Som and Ampa household has a high dependency on the market, both on the productive and reproductive sides. On the productive side, both Som and Ampa's main livelihood was based on daily waged work. Som worked as a construction labourer but did any other odd jobs that he could find. Ampa, on the other hand, worked on farms as a waged worker or else did other types of casual waged work near to Ban Wangmoon. Their high dependence on the reproductive market is a result of the fact that they do not grow their own crops. Rice, their staple food, must be bought as well as other foods and necessity. They, like other villagers in Ban Wangmoon, have a small plot of inherited residential land and a house. However the house is in poor condition due to an infestation of termites. They were fully aware of this problem but could not afford to fix the house due to their very low financial resources. On their land, they manage to keep fish in a small pond and also grow some edible trees such as mangoes and papayas.

The Som and Ampa household was classified as poor in the wealth ranking task as their resource portfolio is very limited in all aspects except perhaps social resources. They did not have many possessions and their physical productive resources consist only of some farm tools and of course their own labour. In terms of human resources, Ampa is handicapped by a chronic illness (diabetes) and both she and Som have only primary school certificates. Although they may have a house and land, their house is only just in a livable condition. With regard to financial resources there is rarely a time when they are free of debt. This debt is usually with informal creditors that give high interest loans that are used for consumption. They explained that they have no other choice as they do not have collateral to ask for loans from a financial institution. As they are poor, they do however receive free healthcare from the state.

With regards to the impact of the shock, the interviews revealed that the Som and Ampa household was negatively affected in many respects. The decline in demand for daily waged work caused by the deterioration in market conditions resulted in a decline in financial resource/income for the household. The sharp decrease in the need for construction labourers was a major factor in Som's loss of income. Ampa told me that Som complained frequently that there were no construction jobs or any other kind of jobs lately. Som explained that his sub-contractor preferred to employ his relatives rather than him. This month (October 2000), he has had no work at all. He had now decided that he would not wait for construction work any longer but would take any kind of job that turns up.

Ampa, who was previously working in farm production, also lost her job when the landlord no longer had sufficient money to hire her. She had to beg the landlord to let her work on days that she could not find alternative work in exchange for rice at the end of the harvest. When she could find agricultural waged work, she asked whether her husband could work with her for lower wages.

The fact that they did not grow their own rice meant they were more dependent on buying food and other consumable goods from the shops/market. Therefore, the increase in food prices and other important expenses inevitably affected them. Ampa's health also deteriorated after the crisis because of an unsuitable diet. Ampa explained that because she has diabetes, she is not allowed to eat sticky rice as it contains high sugar levels. Instead she should eat jasmine rice, the price of which increased after the crisis. However, in trying to reduce expenditure she resorted to consuming sticky rice. She believed that as she had a

card for free healthcare she would be able to get treatment from the doctor if needed, and so the risk was worth taking. Thus her strategy was to opt for free healthcare treatment rather than more expensive self-protection.

In response to the shortage in financial resources, Ampa adjusted her spending budget. Being the household budget manager, Ampa adopted a combination of survival strategies in response to the decrease in real income. These strategies included using a smaller budget to buy cheaper products in smaller quantities, supplementing bought with home grown and naturally growing food and asking for credit at the stores. Ampa claimed that she prioritised the purchase of food items, buying only necessities in such quantities to suit her budget. When she was desperate for food, she utilised her social resource by asking Phi Wan, the local grocery shop owner, for credit. She claimed that

"I buy more vegetables these days because you get a larger portion of vegetable compared to when you buy meat. We can't afford meat or eggs anymore. I sometimes pick some edible vegetables or catch frogs when I go farming so that I don't have to buy food. In a very bad time, I and Ai Som skipped meals to make sure that our twins have sufficient to eat..."

In fact, I have diabetes and the doctor said I am not allowed to eat sticky rice. But what can I do. Jasmine rice is too expensive. I end up eating sticky rice anyway. At least, I have a free health care card. ...

If I don't have money, I ask for food from Pi Wan's shop. Because she trusts me, I pay when I have money. I'm not charged for interest or anything but I know that Pi Wan charges others some interest if she does not know them well. (Interview with Ampa, 18 December, 2000)"

The two case studies discussed so far point in the direction that proximity to the market does influence the level of impact felt by individual actors. That is the actors who are closely related to the market are more likely to experience the impact of the crisis. However it cannot be concluded that high market proximity of individual actors automatically implies adverse impact. Other surrounding contexts clearly have a role to play and this role also needs to be examined.

To elaborate on this point, let us turn to the case of the *Ruang and Bangorn* household. Ruang aged 47 and Bangorn aged 45 have been married for 19 years. Bangorn was originally from Ban Wangmoon whilst Ruang was from the neighbouring village of Ban Dong. They have two sons aged 28 and 18 years. Both Bangorn and Ruang claimed that they are farmers though they do other jobs. Ruang, for example, works as a gardener for the capitalist whom he sold his land to, trades commodity produces and rents out pick up

trucks for produce transportation. Bangorn occasionally receives sewing jobs from a sub-contractor. Their older son also runs a school bus business while their youngest son is at the high school in Maerim.

The Ruang and Bangorn household was classified as a rich household in the wealth ranking. This claim corresponds with their rich resource portfolio. Bangorn told me that they have 11 rais of farmland on which they currently grow both jasmine and sticky rice during the wet season, alternated with the cultivation of tomatoes, soy beans and sweet corn in the dry season (they change crops according to the expected price). The sticky rice was mainly grown for home consumption while the jasmine rice was sold for cash. They also have savings with a co-op of around ten thousands baht, though they refused to tell me the exact amount. They have no debts and own their own residential land and house. Next to the house they keep chickens and grow many edible trees, fruits and shrubs. With regard to human resources, there are three productive individuals within the household. Bangorn and Ruang are not highly educated but their eldest already has a high school certificate and is currently doing a part-time bachelor degree programme.

As Ruang also holds the position of village vice-headman, he has close relations with state officials, such as the sub-district administrator and agricultural technician among many others. These relations provide Ruang the opportunity to acquire other resources, such as technical know how and up to date news on farm production.

In the interview with Bangorn on impacts of the crisis, Bangorn claimed that, as a household budget manager, she was affected adversely by the increase in price of food and other necessities. This claim is aligned with the claims of many women interviewed in the household survey as well as Ampa, the case study presented previously. Bangorn received a monthly allowance from Ruang which has remained unchanged. Bangorn did not change her household budget but was forced to buy smaller quantities of the same product. She claimed that she still bought the same type of food because otherwise people would look down on them if she lowered her standards. Bangorn supplemented this smaller quantity of food by using more fruit and vegetables grown on their own farmland and the area around their residence. In this case, natural food resources can be seen as having an important role in cushioning impacts during the time of the crisis. However, in some ways, wanting to keep face and still be perceived as a wealthy household acted as an obstacle or constraint in selecting from a potentially wide range of possible survival strategies. In

general, it could be contended that perceived social expectations and the desire for status play an important role in an individual's choice of livelihood strategy.

Bangorn also claimed that the rises in agricultural input costs and expenditure in general adversely affected their household. This claim is corroborated by information gathered from the agricultural supply shop aforementioned. However, close examination and comparison with the impacts facing other households within the selected case studies suggests this household may have experienced only marginal hardships from the crisis, especially when accounting for the fact that the produce they sold also increased in price.

Through his position as village vice-headman, Ruang had opportunities to meet with government agricultural promotion officials, from whom he gained knowledge about crops and market trends. Therefore, he could fully exploit his reproductive resources of savings and self-owned farmland that enabled him to change crops easily and at the best time. As a consequence, Ruang never experienced a negative impact from the fall in crop prices since he was able to change crops in anticipation of changing prices or demand. In addition, because of his wealth Ruang did not have a desperate need to sell his crops immediately after harvesting. Hence, he could wait to sell the crops when prices improved. Ruang also had an income from being a gardener, for which he earned a fixed monthly wage. His wage did not change and his income from gardening was steady.

In this sense, it can be seen that although the Ruang and Bangorn household may have close market proximity, they were able to utilise their rich resource such as the social connections of Ruang and their financial and physical productive resources to cushion the adverse impacts of the shocks. The Ruang and Bangorn household is not the only household that managed to achieve this. As briefly discussed in the previous section, it was found that the farming households that survived better during the shocks were rich households who had sufficient financial resources and social connections that allowed them to learn of and respond appropriately to market conditions. It is clear that although market proximity may play a part in determining whether one will be affected by the economic shocks, how well one can respond to the shocks also depends on the resource portfolio and the ability to exploit or diversify usage of resources at a desired time.

I would like to now turn the attention to another household that has high market proximity but is engaged in the market on rather different terms from Ruang and Bangorn's

household. The *Mee* household comprises only Mee, a widower with no children, and his nephew, Somrit. Mee is now 68 years old and Somrit is 26 years old. After the death of his wife a couple of years ago, Mee sold his house for a small sum of money and payed off his accumulated debt that arose from his farming activities. Thereafter, he moved in with Somrit, his brother's son. At present, the only income earner is Somrit, who works as a security guard for a school in Chiangmai town. The Mee and Somrit household is not involved in any rice/farm production. Their food is mostly bought, along with other necessities, by Mee at the local grocery stores. In this sense, this household can be seen as having close market proximity as they are engaged in the market on both the productive and, to a certain degree, reproductive sides as they do not grow their own staple food.

According to the wealth ranking task, the Mee household was classified as a medium wealth household. This is mainly because Somrit has a relatively good education of high school certificate level and owns a motorcycle which he uses to commute to work. His work, according to the job ranking, is classified as highly desirable and has high status. Although Mee is no longer working in the productive sphere, he works on and around their residential land growing and harvesting vegetables, fruits and shrubs. As Mee spends most of his time at home, he has a good relationship with his neighbours whom he can call upon for help when required.

From the interview with Mee it was found that his nephew had not changed employment since the crisis though his salary had been frozen. The dependency of the household on the market was strengthened by the need to use petrol for Somrit to commute to town and Mee to travel to buy food. Mee claimed that during the crisis he received a smaller allowance from Somrit as his nephew had to keep more money to cover the increasing cost of petrol. In response to this decline in household budget and financial resource, Mee invested more time in growing vegetables at home (non-purchased natural resources) to lessen the problems caused by the money shortage.

It can be seen in Mee's case that the natural food sources and available land for cultivation, both natural resources, played an important role in the response of the household. This was found to be true for many households in Ban Wangmoon, especially the poor households whose ability to mobilise financial resources, or in fact any other resource, was often very limited.

In comparing the cases of the Ruang and Bangorn and Mee and Somrit households, it is apparent that the sectors (own business or private) and industries (agricultural or service) of the market in which they were engaged were also important in determining the effect of shocks. Generally speaking, while those who engaged in farm production and had high levels of resources were able to gain from the shocks in some ways, those who engaged in different sectors of employment were exposed to adverse impacts. This proposition is also supported by the village data collection, as presented in the previous section. In more exact terms, those who engaged in industries, such as construction and tourism, which were adversely affected by the shocks were in turn exposed to negative impacts. Those who were engaged in private and casual sectors were also vulnerable to changes though, in some cases, the level of impacts is dependent on the negotiation between the two parties of employer and employee. The bargaining power of both parties also shifts according to market conditions. For example, during the boom labour had many choices whether to do agricultural work or construction work whereas during the shock, there was little freedom in the choice of work.

Gender ideologies, division of labour and responsibilities: its role in determining impacts and responses

It is often argued that men and women tend to experienced different impact from the economic shocks (Elson, 1995, Evers, 1993, Baden, 1993). Women tended to bear an unequal burden of the costs of the economic changes and this is due to their defined roles and responsibility as household welfare providers (Commonwealth Secretariat, 1989, Elson, 1997, Stewart, 1992). The market itself has also been criticised for being gender biased. It distributes unequal benefits and transfers disproportionate costs to men and women (Palmer, 1993 and Collier, 1993).

In the previous section, the discussion has touched lightly upon some of these points. It was found that the women and men in Ban Wangmoon engaged in the productive market in a gender segregated manner. Women's employment tended to be concentrated in certain industries such as retail trades and tourism whereas male employment tended to be concentrated in the construction industry. Division of labour does not only appear within the market realm but also within the home. As previously described, there appears to be a gender ideology of work in which Thai men and women are equal and egalitarian, but in reality however, the gender division of labour exists and is a universal practice. Women in

Ban Wangmoon are always the main household budget manager and take responsibility for household welfare. These factors could be grounds for an overall gender-differentiated impact. However, I would contend that during the crisis, this gender ideology of work and rigid division of labour can become a contested area for survival purposes. To illustrate this, I would like to discuss the case of Boonying and Banpen.

The Boonying and Banpen household is a medium wealth household. Banpen (43 year old female) is originally from the village, while Boonying (43 year old male) is from Lampaeng Province, a neighbouring province of Chiangmai. Boonying came to Ban Wangmoon for a religious celebration for the first time when he was twenty. He met Banpen on that occasion and they were married the following year. Boonying moved into Banpen's parents' home following their marriage according to the local tradition. This residential land and house subsequently became their inherited land after the death of Banpen's parents. Currently, they have two children: a daughter aged 15 and a son aged 9. Both of them go to school in Maerim.

The resource portfolio of Boonying and Banpen includes their residential land and house. Within their homestead, they grow edible trees, fruits and shrubs. Although Banpen's parents were identified as farmers, they were always sharecroppers. Hence, Banpen does not own any farmland. Their primary productive resource is their own labour. Boonying and Banpen both have relatively high quality human resources, in terms of formal education. Boonying has a B.Tech in mechanics and works as a mechanic in the garage in Ban Tasai five kilometres east of Ban Wangmoon. Other people within the village commonly regard him as a well-educated person. Moreover, the fact that he has been ordained makes him a highly respectable person. Although Banpen has got only a secondary school certificate, she found a job working in a clothing factory back in the early 1990s. The skills she developed in sewing allowed her to leave waged employment and instead carry out sub-contracted work at home. During the economic boom, both Banpen and Boonying earned a high income as the demand for their work was high. A large portion of the money they earned was spent on their children's education. They sent both of their children to school in Maerim. This financial investment in their children's education can be seen as a straight forward investment to improve the human resource of their children. At the same time, sending their children to school in Maerim also helped to enhance the household status.

Boonying's high regard within the village allowed him to become elected as a member of the sub-district administration organisation. This position lasts for 4 years and involves dealing with the village budget, policies and plans. Through his position as a local politician, he has woven a large social network with members of other villages, government officials, and politicians. Villagers themselves also like to have good social ties with him as he can act on their needs in his capacity as a politician. In this respect, it may be said that Boonying has a high social resource stock within and outside the village. Likewise, Banpen herself has also accumulated a rich social resource stock. As she was originally from this village, she has relations in the village who always look out for her. The connections she made while working in the factory also help secure her with a supply of work.

The Banpen and Boonying household's livelihood depends quite heavily on the market in terms of the income generating activities (the waged work of Boonying and the sub-contracted jobs of Banpen) and in terms of household consumption (food and necessities). From the interview with Banpen, she felt that their household had been very adversely affected by the economic crisis. Boonying had been affected by a decrease in available work because less people came to get their cars repaired by him. Boonying claimed that "people wait until the car is in a desperate condition before fixing it, then they show up". As a portion of Boonying's wage came from commission, less cars meant less work and hence less income. Banpen, on the other hand, was affected by the piece meal wages for her subcontracted sewing, whilst the costs of production, including electricity, thread and needles, went up. In effect, their household income (both nominal and real) dropped significantly.

Boonying and Banpen's household was also affected by the increase in food prices as they are a non-farming household. In response to this impact, Banpen tried to take on more work in order to fill the gap caused by the drop in her husband's wages and the increase in her production costs. As Banpen had to take on more work, the gender division of labour within the household needed to be renegotiated. Prior to the crisis, Banpen worked on her business as well as looking after the welfare of the household. Taking on more work meant less time was available for her housework and so Boonying took over much of the housework from her. In fact, the Boonying and Banpen household was one of the very rare cases where there were clear signs that the gendered division of labour had changed,

arguably in a egalitarian way. Moreover, when Banpen could not finish an urgent order, Boonying would help her with the sewing using a spare sewing machine.

It is still debatable whether the breakdown of existing gender roles means a change in status for Banpen. On one hand, the changes in gender division of labour patterns may challenge the existing gender status quo. That is to say that the actions of Boonying improved the position of Banpen within the household. However, it can also be argued that if this change is only temporary, it is likely that the reproductive roles may again fall entirely upon Banpen.

One may argue that the fact that Boonying and Banpen relied heavily on the income from industries with no regulated terms of employment put them in a vulnerable position during the changes in economic climate. On scrutiny however, it is apparent that the production industry in which Banpen was engaged was not severely affected by the crisis. Some employers, especially the garment exporters, viewed the crisis and the devaluation of the baht as an opportunity to further exploit home workers by not increasing the piece rates while benefiting from increased orders. Hence, Banpen was in a position to respond to the crisis by taking on more work.

Summary of case studies: market proximity, resource portfolios and gender

From the five case studies and the presentation in the previous section, it appears that the households discussed experienced differentiated impacts of shocks and employed different strategies as a responsive measure. The case studies indicate that the households that were most negatively affected were those classified as poor households, which had relatively poor resource portfolios and thus little ability to change their utilisation of resources when required. Both the households of Mee and Som and Ampa, are examples of households that had a high market proximity to the markets of both labour (productive) and food (reproductive). The fact that impacts from the crisis were mediated through market and price mechanisms, inevitably had consequences for these two households. It should also be remarked that, during the crisis, the poor were highly dependent on the utilisation of freely available natural resource to cushion impacts. Ma, conversely, did not experience the negative impact of the crisis directly because of a very low market dependency. Furthermore, she managed to utilise the social connections she has with her children,

which were reinforced by the social norms of parent-child relationships, to cushion the impacts of the crisis.

The claim that market proximity alone determines the severity of impact is refuted by the cases of the Banpen/Boonying and Ruang/Bangorn households. Some households, particularly the rich and medium wealth households, are in a better position to respond to and take advantage of the crisis. For example, Ruang and Bangorn were equipped with resources that enabled them to respond to market signals and changes in agricultural produce prices quickly and in a beneficial manner. Ruang, like other rich farming households, had good access to information, complete control over his farmland, input and production and possessed the financial resources necessary to start farming new produce. Banpen, on the other hand, was in a position to negotiate more orders for her sewing work because of her social connections (social resource) with the contractor. The renegotiation and reorganisation of the housework also lifted the unequal burden on Banpen and supported their positive response to the shocks. Thus, these case studies suggest that the severity of the economic crisis is determined by both the market proximity and the position of the actor in the market, while the ability to respond is related to resource diversification and the quality of resources owned by households.

With regard to gendered impact, the analyses of the five case studies as well as the discussion of the four channels impact previously suggests that women as well as men experienced the impact of the crisis as they were both engaged in the market. These effects stem from the decline in income and employment, and increases in input and food prices in general. However the gender segregation within the market and the different impacts of shocks in various industries may transmit a differentiated impact on men and women. The indirect impacts that can be transferred from one member of the household to another seem to be apparent and most quoted by female respondents. This is because women are responsible for household welfare as well as household budget management. While food prices increased, women had to manage often smaller sums of financial resource while trying to maintain the same level of welfare for their household. The most important resources which women claimed frequent utilisation during the shortage of income and food is natural food resources. The excerpt that summarises the unequal burden of the crisis in terms of women's defined role as welfare manager is apparent from the interview with Mee who had to adopt the housewife role for his nephew. Mee claimed

"I think women are affected most by the crisis. I know this very well because I'm a man who is working as a housewife. It is hard enough that whatever I do my nephew does not appreciate it. It is like he is taking it for granted. Just like I did with my wife. Housework is so tedious and it is no easy work. I know it now. On top of all this housework, I have to manage the household budget. My niece gives me 1,000 baht a month to pay for everything. It is hard to manage it especially now when everything is so expensive. I have to pick beans and vegetables by the farmland at the end of the month when there was a shortage of money. It must be hard for women doing all this without the recognition of their husbands (Interview with Mee, 2000)."

Although most interviews within the case studies as well as the household survey seems to confirm this, it should be noted that the pressure from the crisis may create a new platform or new vulnerability context for contestation of gender roles. This is reflected well by the role swapping of the Boonying and Banpen household. However, it should be remarked that this switching of roles may be only temporary and used just as a survival strategy.

Conclusion

This chapter started by describing out the setting of Ban Wangmoon, the peri-urban community studied. It outlined the transformation of community livelihoods since the 1960s brought about by the cash-oriented development process, which brought the villagers closer to the market and changed their modes of production. It also summarised the current livelihoods of villagers which are generally based around agricultural production and other waged work. The first part of the chapter concludes with an analysis of household resources and the differentiation of households according to wealth.

The latter part of the chapter examined the overall impacts of the economic crisis and the ESAPs on Ban Wangmoon villagers. Using the four channels hypotheses as a point of entry leads to evidence of many negative and some positive impacts of the economic crisis on households. The changes in employment appear to have affected equal numbers of men and women, as both sexes are engaged in productive work. However, those in different sectors of employment experienced the effect of economic changes differently. While the public sector was least affected by the economic crisis and the ESAPs, casual employment and particularly construction and service industry employment were severely affected. The private sector employment encountered a somewhat mixed impact due to a combination of struggling local businesses and increased foreign investment. With regard to gender, women tended to be affected most by the decline in agricultural work, in which women were mostly engaged. However, men tended to be affected more by the changes in

employment in the construction industry. It is also worth pointing out that these changes in employment inevitably generated referred impacts on other household members.

Household incomes generally decreased after the onset of the crisis due to the decline in demand for casual waged labour, freezes in minimum wage work, and the cut in fringe benefits. Some people, especially those working in construction and agricultural industries, became underemployed. Household expenditure, on the other hand, increased after the crisis mainly due to two factors, namely the policies of devaluation of home currency and the increase in petrol prices. As a consequence, the prices of products and especially necessities such as food, seasonings and personal products increased. As women were responsible for household budget management and household welfare, it is argued that women bore a disproportionate impact of decreases in real income and increases in food prices. However, the referred impacts affected all household members, particularly as goods they consumed may have been of a lower quantity or quality due to the strategies women employed to cope during the crisis.

The impact of the changing health and education conditions in Ban Wangmoon was less apparent. Conventional indicators, such as school dropout rates, did not show clear signs of deterioration. Parents claimed that investing in children's education means better prospects for households, and teachers explained that free school fees and lunch were additional incentives for parents to keep children in school. Evaluation of the health impact was complex and difficult. Most villagers did not feel any negative impact and could not make a causal linkage between health conditions and the crisis. However, the health stations claimed that budget cuts diminished their capability to provide quality health care to villagers.

The impact appears to have been diverse across different social classes. While the rich households may have gained or been least affected by the crisis, the poor invariably lost out. These dissimilar impacts can be explained by their differing resource diversification and quality and quantity of resources possessed. It is apparent that the rich households tended to own better quality and larger quantities of resources that they could utilise during the crisis. The poor, on the other hand, had limited resources to employ to cushion the effects of the crisis.

Resource diversification is not the only factor determining experiences during the crisis, as market proximity can also be seen to be influential. From the five case studies presented, it can be concluded that the severity of impact on households (both positive and negative) was dependent on proximity to and position in the market. Rich households are very likely to have both high quantity and quality of resources as well as being well positioned in the market. That is to say that although they are dependent on the market, their high bargaining power is very likely to assist them in gaining some degree of benefit from the changing economic conditions during the crisis. The poor households having a high dependency on the market proved to be vulnerable to exploitation as they had little or no bargaining power.

The gender implication of the economic crisis and the ESAPs can be traced in the changes in prices and expenditure. The existing differentiated gender division of labour, responsibilities and roles appear to have a strong influence on the gendered impacts. For example, women carried the responsibility of household budget management and therefore bore extra pressure in organising limited resources to maintain household welfare. Although there was a high tendency for women to carry extra burdens from the crisis, it is noteworthy that gender relations are subject to a process of negotiation. There were incidents of changes in gender roles and responsibilities in which men took on domestic tasks, that were previously undertaken by women. Hence, it is argued that the gendered impacts of the economic crisis and the ESAPs in Ban Wangmoon were apparent and determined by the existing gender division of labour, responsibilities and dynamic negotiations between household members.

CHAPTER 6

Chomchon Hatanwa: the vulnerability context, shocks and responses

Introduction

This chapter investigates the impact of the economic crisis and the ESAPs in Chomchon Hatanwa, an urban slum community in Northern Thailand. The study parallels that of Ban Wangmoon presented in Chapter 5 and comprises two main parts. Part I, which follows this introduction, provides a background of the community in terms of its location and history. A limited discussion on the development and transformation of the community over its brief history of around 30 years is provided together with an overview of community livelihoods. This is followed by an investigation of household resource portfolios, which are linked to livelihood constructions and the surrounding context. Part I concludes with an exploration of the social organisation i.e. wealth stratification, gender ideologies and gender division of labour.

Part II begins with an interrogation of the impacts of the shock using the four-channel approach to analyse community and household level data. The chapter then moves on to discuss six households with differing socio-economic setting i.e. wealth ranking, resource portfolio and gender composition. In looking at these specific cases, the role of some key factors in the differentiation of the impacts and the responses of individual actors will be identified. To draw conclusions, the final section summarises the impacts of the economic crisis and the ESAPs that confronted the residents. The conclusions also aim to clarify how class and gender-differentiated impacts arise within the community.

PART I Chomchon Hatanwa: Community context

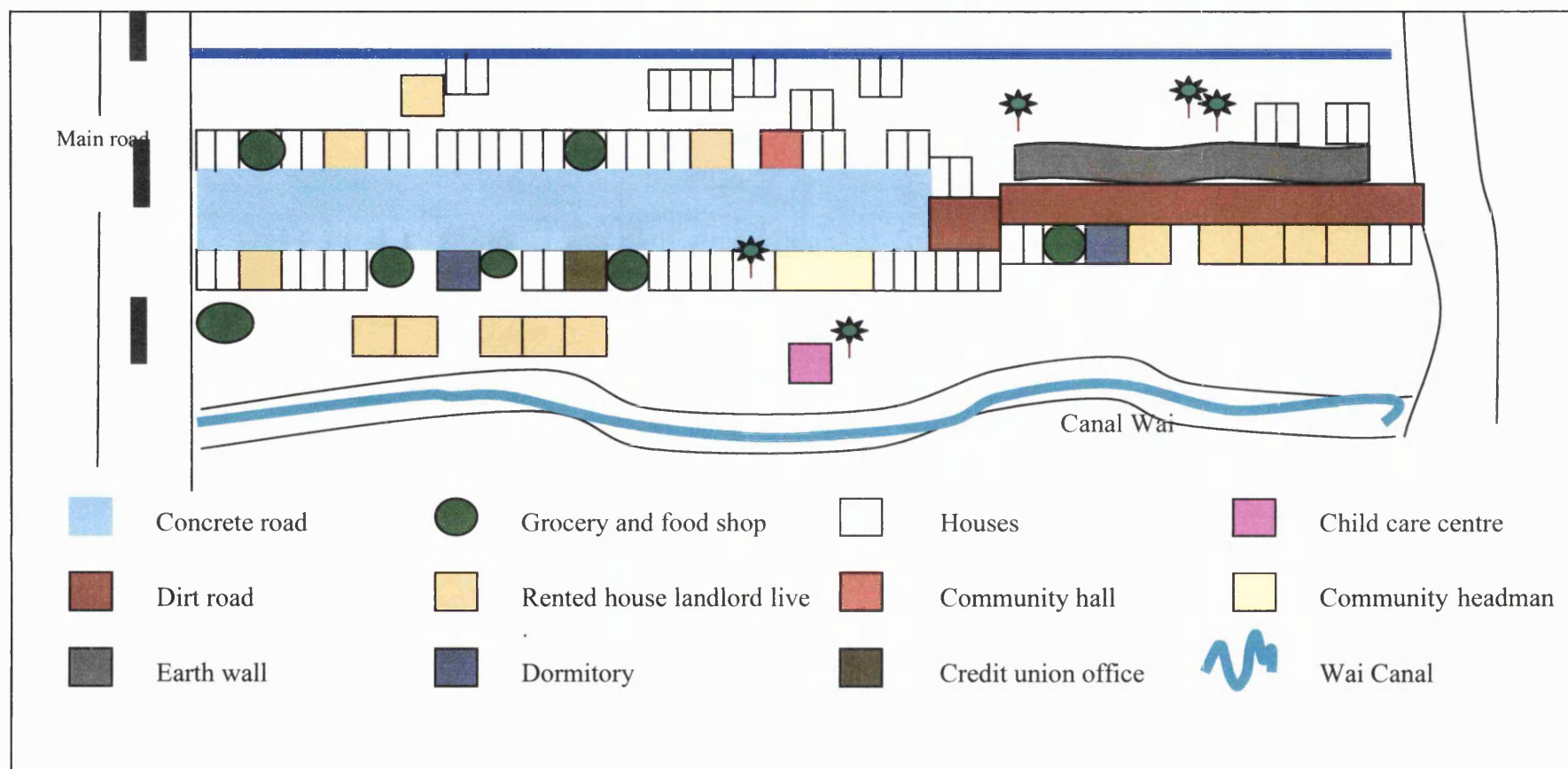
The establishment of the community

Chomchon Hatanwa is one of 48 highly densely populated communities that could be described as slum areas scattered about Chiangmai city. The community is located in the south of the city as shown in Map 1.3. The settlement occupies 5 rais of land and is therefore 73 times smaller than Ban Wangmoon in terms of area. The community comprises two rows of houses, densely built alongside a straight road. A layout of the community is provided in Map 6.1, which was reconstructed from the three maps made by the children, women and men's groups during the PRA map making task.

When asked about the history of the community, the key informants explained that the community was established by poor rural farmers migrating from the Hod and Fang district (some 100 kilometres away from Chiangmai city) in the late 1970s (Interview with key informants, October, 2000). As for many other rural farmers, this migration into the city by the founders of Chomchon Hatanwa (who were mostly men) was driven by poverty (Attasit, 2001, Buapan, 2000). As previously described, for many rural farmers, their persistent poverty was compounded by the effects of the government's import-substitution policy which diverted resources away from the rural based agricultural sector to subsidise the urban-based manufacturing industries. It is likely that the urban-biased development that occurred at this time was a significant force in drawing the rural migrants to town. In the case of Chomchon Hatanwa, Bhoo Peng, a key informant explained that the new job opportunities in town were the main attraction for the male farmers.

For these rural migrants with limited financial resources, buying a piece of land or building a house in the town proved to be an extremely difficult task. Loong Rawangpai, Bhoo Peng and other founders recalled finding the piece of land Chomchon Hatanwa now occupies and struggling to clear up the muddy land between the Wai Canal and the earthy remains of the ancient city wall (see picture 6.1).

Map 6.1: Chomchon Hatanwa community map



The community was established on unoccupied land which was eventually discovered to belong to the government. In the beginning, temporary shelters were made from thatched roofs and zinc sheets left abandoned on nearby construction sites.

Picture 6.1: Earthen city wall and Wai canal



The first settlers who came during the 1970's were mostly men from Hod and Fang. Initially they found that life in Chomchon Hatanwa was no less demanding than in the rural area. However with the new context came a different availability of resources which the poor migrants could draw on in constructing their new livelihoods. Importantly, with extremely limited financial resources the settlers had to invest their own labour in building new homes and draw material from leftovers on nearby construction sites. The settlers were also at risk of eviction from what was government owned land. Despite the struggle to establish new livelihoods with limited available resources, the community grew to its current size of around 130 households.

The modernisation of development and the transformation of livelihoods in Chomchon Hatanwa

As described in Chapter 2, the industrialisation strategy implemented in the 1980s encouraged non-agricultural production and undermined the prior importance of agricultural production. This promotion and associated measures influenced attitudes to work and shifted the economic structure as a whole (using both labour force and the GDP for each industries as indicators). Farming which used to be cited as the backbone of the Kingdom reduced in importance and became commonly regarded as a job with no

prospects associated with poverty and backwardness. However, the rural-urban movement, including the resettlement of the rural migrants in Chomchon Hatanwa, was a free choice by individuals to adopt a new survival strategy. It could be argued that the response of these rural actors was a direct consequence of the new development strategy and economic condition (crop price fluctuations) that shifted livelihoods from farming to non-farming production.

The change in livelihood strategies, which also involved a complete change in geographical setting, came with both positive and negative effects. Moving into town could be seen as a way of broadening job opportunities and other market opportunities for individuals. However, being displaced from the rural community also meant reduced accessibility to certain resources. For example, moving 100 kilometres away from Hod where the forest is rich in natural resources implies that the migrants lost their accessibility to the natural resources (food and wood fuel) which was previously used to support livelihoods. For many individuals, social resources such as social connections or relations which could be drawn on in times of crisis could no longer be easily accessed.

Located in the new vulnerability context of Chomchon Hatanwa, these rural migrants were to find new ways of constructing their livelihoods. In Chiangmai city, lives revolve around money. Although these migrants managed to resolve their problem of accommodation by invading land and investing their labour in building and maintaining their house, a financial income was still required for survival. The minimum requirement for their lives included food and other necessities, all of which had to be purchased. To secure an income, these migrants needed to sell their labour in the market. Although the obtainment of non-agricultural work by individuals has many deterministic factors such as social connections and physical or financial resources, arguably the most important factors are the quality of the human resources i.e. education and skills. For most rural migrants, with their limited education and skills, it was only possible to engage in the lowest rank of the job ladder such as casual waged work in the construction industry.

While the first settlers continued to stay within the community and nobody tried to reclaim the invaded land, an increasing number of people settled there. More secure/permanent houses were built in rows to replace the temporary shelters. Eventually, wives and children followed their husbands and fathers and settled on the site as well. However, their motivation for migration was different from the first group. Like the male migrants, female

migrants were attracted by new job opportunities in the rising service and manufacturing industries and away from farm production. Children, on the other hand, were encouraged by parents to pursue further study in order to escape the poverty closely associated with being uneducated, casual waged workers and farmers. This belief was not only rife in Chomchon Hatanwa but also in various rural areas of Thailand.

As Chiangmai prospered economically, particularly through its position as a tourist destination and the main economic capital of the north (BOT, 2004), more people were attracted to the city. The massive investment in the hotel and retail trade industries in the late 1980s and early 1990s fuelled by the influx of foreign capital, for example, generated a high demand for labour. Firstly, a massive army of construction workers was required to build the new offices and hotels, while later many employees were needed to fill the jobs in the service sectors. This process of development and expansion continued up to the break-out of the crisis.

As more and more migrants from diverse origins (Tak, Maesot, or as far as Nakornsawan some 600 kilometres away) moved into Chiangmai, there was an increasing demand for cheap lodgings. Although the co-drafted housing agreement of residents in Chomchon Hatanwa (resulting from the land dispute between the residents and the government) clearly stated that refurbishment of properties was prohibited, the original residents ignored the agreement in order to sub-divide their properties for the letting of rooms. At the time of the survey there were approximately 87 rooms in 15 different properties for rent whilst 2 properties were under construction. These rooms could be viewed as both productive and reproductive physical resources, depending on usage. The rooms in the community were particularly attractive for workers for two main reasons. Firstly, the rent was cheap. Secondly, the location of the community is close to many work places such as the department stores, airport, cultural centre and restaurants, among others.

In summary, the livelihood of Chomchon Hatanwa's residents shifted significantly from being mainly reliant on agricultural production to a dependence on non-agricultural production when they took up residence in the community. These livelihoods had an increased involvement in the market both in terms of the purchase of reproductive goods/services for consumption as well as the exchange of productive resources in order to obtain income. In this sense, moving into town resulted in an increasing proximity to the market by the rural poor. However, these poor were clearly active agents who were able to

respond to the changes in their surrounding contexts. Moreover, these migrants continued to adapt and change their livelihoods and diversify the utilisation of their resources with the ultimate aim of escaping poverty e.g. financial investment in human resources through the education of their children.

Resource portfolio of the household and the individual livelihood construction

This section discusses the overall importance and availability of five types of resources under the SLF. The survey of natural, physical, human, financial and social resources aims to give an overview of the range of resource portfolios that household possess and that they may use in order to construct their livelihoods and survival strategies in times of crisis. A limited discussion of the social resources is offered as it is highly difficult to analyse at a general level and requires careful scrutiny at an individual level and within the associated context. The roles of this type of resource will be touched on further in the case studies.

The natural resources

Unlike Ban Wangmoon, Chomchon Hatanwa is small in size and constrained by the city wall on one side and the canal on the other, making any expansion impossible. Most households own only a small plot of land, which they use to maximum capacity for the constructing of their homes. Space is scarce and trees can rarely be seen let alone any other potential natural resource. Although located by the canal, the canal water is too polluted for the residents to find any resource use for. In Chomchon Hatanwa, it is fair to say that the natural resource stock is too limited to play a significant role in any of the resident's livelihoods.

Physical resources

Land

According to the household survey and the physical resource ranking, land is ranked as the most important resource. This view is strengthened by the fact that residents have experienced constant problems with the security of their housing. This largely originates from the fact that the community arose through the invasion of land owned by the

government and despite 30 years of establishment, conflicts over land rights still arise occasionally.

When the local government started to claim that it was the legal owner of the land, the residents fought back by arguing on the grounds that they had been living in the area for more than 10 years and therefore, according to property law, were entitled to continue residing on the property. The dispute reached a compromised settlement because of the mutual benefits shared between residents and local politicians. "Residency certificates" and housing registrations were issued to the residents, while politicians indirectly enhanced their political base. The certificates cannot be exchanged or sold and were only provided under conditions of a prohibition of new house construction, reconstruction or refurbishment without official permission. Although the residents still do not have absolute rights over the land, their sense of security has increased. The politicians, on the other hand, secured some additional votes when the residents were granted electoral rights through the housing registration.

Of all 133 households residing in Chomchon Hatanwa, only 74 households possess residency certificates. All of this land is located near to the main road. The reason behind this was because the certificate was issued according to the time of establishment. That meant that those who lived there longer would be granted rights first. This pattern of certificate ownership also reflects the pattern of establishment whereby the first settlers established themselves close to the main road. The remaining 58 households are mainly households that rent a place of residence within the community.

The average size of land owned by households within Chomchon Hatanwa is extremely small at 24 square wa (96 sqm) per household and the size does not vary significantly from one household to another. Because of limited space, typical land usage is solely for construction of the house. There is no area for keeping livestock or growing vegetables. For some households who own a residency certificate, houses have been sub divided or else converted into dormitories for rental. In this sense, land and houses in the community can be considered as an important resource not just as a place to live but also a productive resource for earning extra income.

Although there were a number of households who did not own residency certificates in Chomchon Hatanwa, they still owned some farm or residential land outside the community.

For example, there were 17 households claiming ownership of farmland in rural areas and 41 households reported having ownership of residential land and houses, again mostly in rural areas. When these individuals were asked why they did not make use of their farmland, most of them replied that they did not think that farm production provided much profit. In the words of Prakarn *“farming would not make you rich. If you are lucky, you are just able to survive. If you are unlucky (with bad farm prices), you will even get poorer. That’s why I came to search for my luck in the city (Interview with Prakarn, 23 October, 2000).”* This excerpt reconfirms the change in attitudes of farmers towards farm production and shows an attitude that is aligned with the industrial promotion policies.

Land ownership outside the community can however be seen as an important physical resource for two main reasons. Firstly, the letting or lending of farmland to tenants or relations can be seen as a form of social and physical investment. Usually, rice or produce were given in return or a good social relationship between two parties could also be maintained. In some cases, these social resources can in turn be drawn upon in times of hardship. Secondly, the residential land outside the community can be seen as a reserve of resources which the households can fall back on if life in the city becomes too hard.

Apart from land, other important physical resources were also identified. As described in Chapter 4, the physical resources can be further classified into three categories including productive, reproductive and luxurious resources (referred to as productive, subsistence and status marking resources according to the physical resource ranking). As Table 6.1 shows, among all three types, the productive physical resources or the resources that can be utilised for income generating activities were ranked highest only second to residential land and houses. They were ranked high because, as it was claimed, they were important factors in getting people out of poverty. These resources included taxis (own by 11 households), pick up trucks (15 households), shops (26 households), and dormitories (15 households). Among all these productive resources, dormitories have been regarded as the most desirable resource as there was always a high demand for rooms by the migrants. This ensures a constant stream of income for landlords.

Table 6.1: Physical resources of Chomchon Hatanwa

Resources	Number of households/counts
Physical resources	
<i>Productive (number of households)</i>	
Farm land (else where)	17 (4-10 rais)
Pick up truck	15
Shops	26
Dormitory	15 (87 rooms)
Taxi	11
Tricycle	1
<i>Reproductive (number of households)</i>	
Certificate for residency	74
Houses	74
Land and property outside community	41
Home grown vegetable and livestock	3
<i>Luxury (number of occurrences)</i>	
Irons	124
Cars	30
Motorcycles	58
Refrigerators	69
Washing machine	22
Stoves	63
TV	110
VDO	45
Computer	5

Apart from the productive (dormitories, shops etc.) and reproductive (land and house) physical resources discussed, Chomchon Hatanwa residents also reported having a wide range of luxury items such as TVs, Videos, refrigerators, etc. as shown in Table 6.1. These luxurious resources as discussed by participants in the PRA were found to be used mostly for entertainment or helping to alleviate the load of housework. For example, almost all households residing in Chomchon Hatanwa reported having a TV, used mainly for home entertainment. Motorcycles and cars owned by 58 and 30 households respectively were used as a convenient means of transportation. Washing machines, refrigerators, and stoves owned by 22, 69, and 63 households respectively can be viewed as items that eased household work. All of these items can be regarded as unessential but may also be perceived as a status marker for households. Moreover, these types of resources can easily be used as collateral that can be pawned or sold to generate financial resources at times of need. Usually, households owning these items were ranked highly in the wealth ranking, to be discussed later.

Human resources: demographic data and labour

From the findings of studies carried out in four slum communities in four different countries, Moser (1997) has argued that human resources of shanty town residents appears to be the most important resource for livelihoods. I would like to now turn to the profile of human resources in Chomchon Hatanwa. I will first discuss household composition, including the number of household members and the dependency ratios. This information provides an important background context that determines, for example, how many individuals are free to enter the labour market. I will then discuss the human resource portfolios of individual actors residing in Chomchon Hatanwa. Particular interest will be paid to the level of education: identified by PRA participants as the main factor in determining the ability to get access to different jobs.

Table 6.2: Types of household classified by sex of household head

Type of households	Number	%	Type of household head	Number	%
Single	25	18.8	Male	12	9.0
			Female	13	9.8
			No head	0	0
Nuclear	99	74.4	Male	93	69.9
			Female	6	4.5
			No head	0	0
Extended	5	3.8	Male	5	3.8
			Female	0	0
			No head	0	0
Joint	4	3.0	Male	0	0
			Female	0	0
			No head	4	3.0
Total	133	100	Male	110	82.7
			Female	19	14.3
			No head	4	3.0

Source: Household survey, August-December 2000

According to the household survey carried out during August to December 2000, there were 133 households residing in the community at that time. As shown in Table 6.2, the majority of the households (74.4%) were nuclear households. If closely scrutinised, most of these nuclear households usually contained only one generation of working labour and generally are the temporary residents. This is not to say that the temporary residents do not have dependents. Those who have children usually leave their offspring with their relations outside the community. In doing this, it frees the parent's time which allows them to participate more fully in the market. The second largest proportion of households was

classified as single households, comprising 17.8% of all households. A single household refers to a single person residing alone. There were a relatively equal number of lone male and female households in this category. For this household category, the members can participate fully in the labour market. A small percentage (3-4%) of households were categorised as extended and joint households. In case of these extended households, although they tend to have high dependency which comprises the elderly usually retired generation and the children, the elderly usually took care of the children freeing the time of the members who are active in the labour force.

Regardless of these different classifications, the majority of households (82.7%) were headed by men. Only 4.5% of households were recognised as female-headed households. This number excludes single females living alone, who make up almost 10% of households.

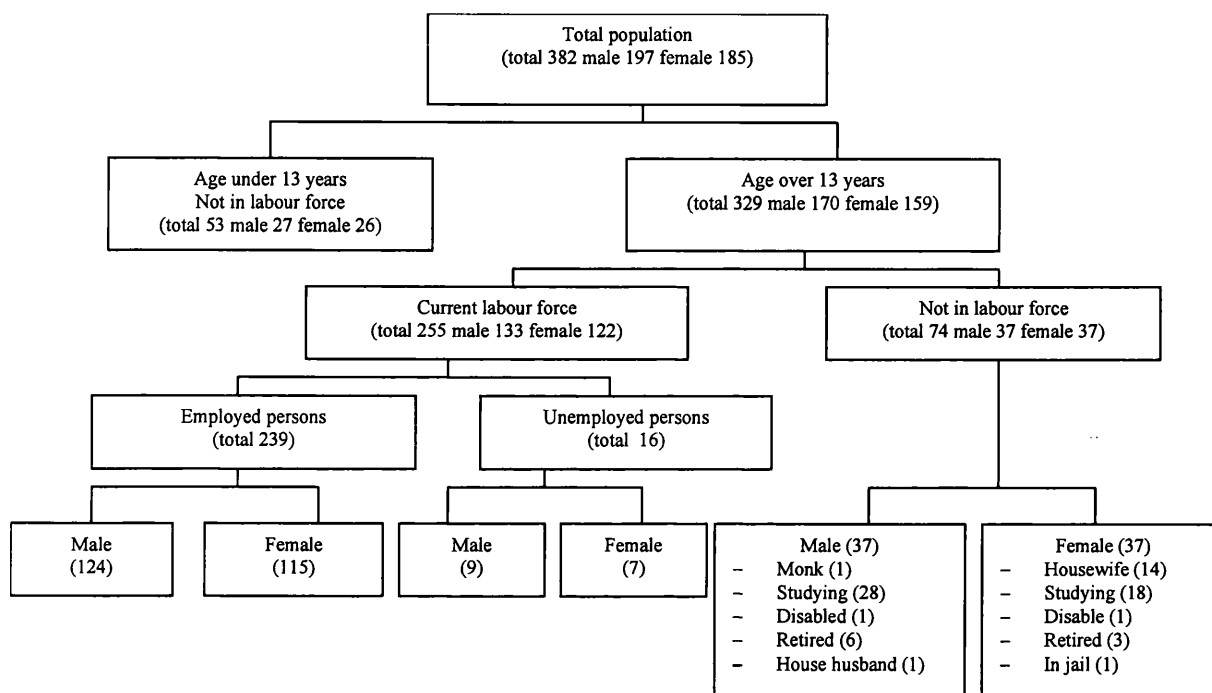
The number of average household members is 2.87 persons. The dependency ratio, or number of the non-productive persons per productive person, for each household is 0.54. This number would be higher except for the fact that a large number of people residing in Chomchon Hatanwa are migrant workers who leave dependent children, if they have any, with their relations.

With regards to education, on average, residents in Chomchon Hatanwa have at least 7.3 years of schooling. Of the 382 people included in the survey, 191 reported having a primary school education (4 years of schooling), 112 persons claimed that they had a secondary school education (9 years of schooling), and 59 cited that they had at least 12 years of education (Batch or else high school certificate). It was found that the number of years of schooling tends to correspond with age. For example, the younger generations usually have higher level qualifications. Almost all of the 52 people claiming to have more than 12 years of education are students who are currently in school or else are recent graduates. The people who claim to have had up to 4 years education are mostly the elderly.

At the individual level, the total population at the time of the survey was 382, with a slightly higher number of males than females, as shown in Fig. 6.1. The figure also reveals an exceptionally high current labour force. This current labour force accounts for almost 80% of the total population, roughly 7% higher than the figure for the national current labour force (NSO, 1998). Also, it is worth emphasising that the female labour force in this community was remarkably large, with almost 66% of females in the community

working. This high current labour force can be explained again by the fact that the community has always been formed from migrant workers.

Figure 6.1: Chomchon Hatanwa population by labour force⁵² classified by sex



Financial resources

From the household survey, the average household in Chomchon Hatanwa earned an annual income of approximately 109,854 baht per year in 2000. That can be translated into a per capita income of 37,960 baht which is roughly 20 percent smaller than the per capita income of the country as a whole of 48,211 baht (BOT, 2004). However, it is significantly higher than the per capita income of Ban Wangmoon of 11,949 baht. This higher income in Chomchon Hatanwa compared to Ban Wangmoon can be attributed to the fact that the livelihood of all residents in Chomchon Hatanwa involves engagement in the market of waged work or involvement in other income generating activities. Also, there is a smaller fraction of dependents in Chomchon Hatanwa.

⁵² See terminology in Chapter 7.

The temporarily resident households (those in rented accommodation) earn an average income that is roughly equivalent to the official average daily wage of 173 baht per day in Chiangmai Province. The temporary residents tend to have generally lower human resources than the permanent residents and hence work in a relatively lower paid job, though this is not always the case. Their limited physical, especially productive and financial, resources also limit their ability to invest in any other financially beneficial forms of production. There were only 20 household, which were mostly permanent residential households, who earned significantly above the average annual income in the community. All of the households who reported owning dormitories are included in this number and the maximum income earned annually was around 324,000 baht per household or almost three times the average annual income of the community. Most other households that reported having household income above the average but did not have dormitories, had members engaged in work in the public sector. This suggests that because temporary residential households tend to earn less income then they will also possess lower financial resources compared with the permanent households. In general, the permanent households who have more productive resources (e.g. dormitories) are also able to draw more financial resources.

In Chomchon Hatanwa, as shown by the physical resources ranking task, financial resources can be regarded as highly important for daily survival. This is because the livelihood strategies, especially on the reproductive side, involve the purchase of goods and services. Shortage of financial resource also implies a shortage of food and necessities. In times of crisis, credit plays a significant role in cushioning possible liquidity problems. Most households in Chomchon Hatanwa, both permanent and temporary residents, have some form of credit. However, it should be noted that not all credit was given for consumption purposes. For the relatively wealthy households, for example, credit was also used for investment such as the construction of the dormitories.

Within Chomchon Hatanwa, there were two sources of credit which people drew upon. Some loans were provided by formal institution such as banks, co-operatives or were special credit provided by government or multinational organisations such as the Social Investment Programmes of the World Bank, whereas the other credit was derived from informal sources such as relations, friends and informal creditors. The credit market however is quite segregated in that the permanent residents tended to obtain credit from the

formal institutions while the temporary residents were restricted to the informal credit sources. The main explanation for this segregation is that some form of security or collateral was required to get access to formal credit. To obtain credit from the community credit union it was required that borrowers had resident's certificates, which obviously the temporary residents did not have. Having been resident in the community for a long time the permanent residents also found it easier to obtain credit from the special credit line of the WB, which required the approval of a community committee. The loans given to households ranged from around 5,000 baht up to a maximum of 300,000 baht. Most credit from the community credit union was in the form of medium term loans lasting 3-5 years whereas the credit from the SIP ranged from 5,000 to 10,000 baht and lasted for 3 years. This money was usually spent on investment in small to medium size businesses belonging to households or else to subsidise the cost of educating children.

Households that had land deeds for property elsewhere could access formal credit from financial institutions, but they did not usually do so. Those who had good social connections with wealthy relations or friends could borrow money through those channels. If not, they were forced to borrow at high interest rates (5-10 % per month) through informal sources. These informal creditors were individuals from outside the community who did not require collateral. However, if borrowers defaulted on payment the debt collector would use coercive force such as verbal or physical abuse or the confiscation of valuable items. In many cases, the actual loans were not large and usually started off at just a few thousand baht. These loans were also usually spent for consumption purposes such as paying for rent, food, hospital treatment or the education of children. However, because of the high interest rates, the outstanding amount could double within months.

Social resources

Upon asking Chomchon Hatanwa residents to identify the people whom they have sought or would seek assistance from in times of crisis, the respondents also referred to individuals within the previously identified five groups: 'community committees', 'co-workers and friends', 'politicians', 'neighbours and relations' and 'relations outside the community'. As shown in Table 6.3, the group of people which help is sought from most frequently is 'co-workers and friends'. One hundred and seventeen out of the total of 133 households taking part in the survey (88 % of all respondents) claimed to have sought help from this group. From interviews, it was found that the social relationships of migrants as

well as the permanent residents are formed among other migrant friends and co-workers. Help was provided mostly in form of small loans, usually with no interest, or information on job opportunities.

The second largest cited group of people whom residents would ask for help was the relations residing outside the community, totalling 114 households (86 % of all households). It was also revealed during discussions that these relations are mostly resident in the rural areas where Chomchon Hatanwa residents migrated from. This reflects the continuous linkage of the rural and urban areas. Obviously, this linkage has been maintained and residents have continued to invest in this type of social resource. From direct observation and informal discussion with various residents, visits to rural origins were often made and gifts were also given to relations during good times. However, the rural relations were less likely to pay a visit to Chomchon Hatanwa, probably due to the limited space, though their agricultural produce are occasionally provided. Given the existence of this linkage, it is not surprising that a high number of households claimed that they would ask help from their close relations outside the community.

Table 6.3: Social resources in Chomchon Hatanwa

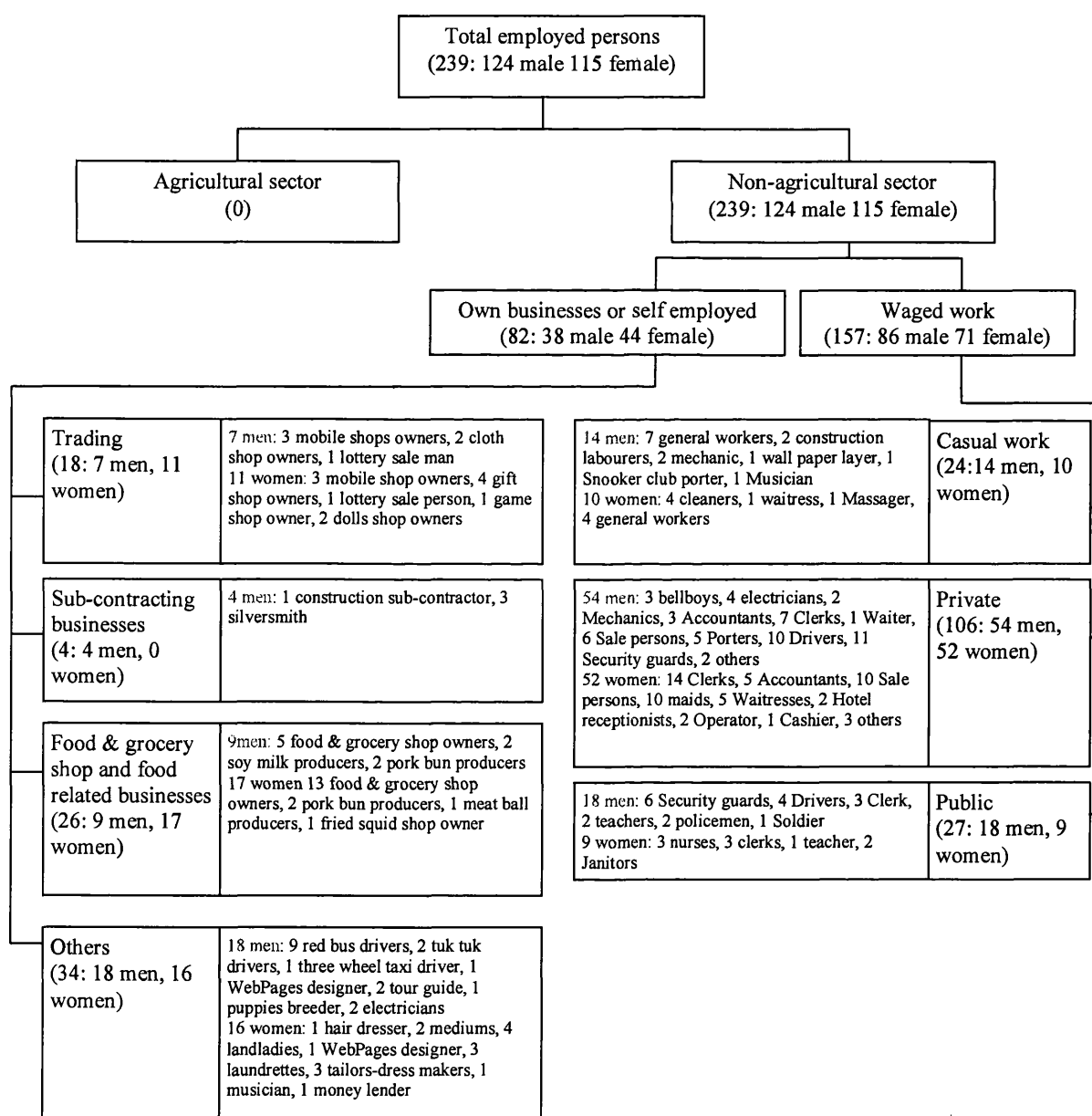
Social (number of households)	Rich (16) %	Medium (103) %	Poor (14) %	Total (133) %
<i>Relation with community committee</i>	16 (100%)	45 (44%)	1 (7%)	62 (47%)
<i>Relation with co-workers and friends</i>	16 (100%)	98 (95%)	3 (2%)	117 (88%)
<i>Relation with politician</i>	5 (31%)	9 (9%)	0 (0%)	14 (11%)
<i>Relation with neighbours and relations</i>	16 (100%)	45 (44%)	13 (93%)	74 (56%)
<i>Relation with outside community relations</i>	16 (100%)	85 (83%)	13 (93%)	114 (86%)

As shown in Table 6.3 over half of all households interviewed (74 households or 56 %) asked for help or obtained support from their neighbours and relations in times of crisis. A significant number (62) of households interviewed claimed that they could or did draw help from community committees. From the informal discussion with the respondents it was apparent that this type of social resource was accessible only by those who had been resident within the community for a long time. These residents were generally accepted to be a permanent part of the community by the committees. The smallest number of households (14 households) reported having used or else would ask for support from politicians. These households were later found to be identified as rich or medium wealth households according to the wealth ranking task.

Livelihood constructions and outcomes

Following the definition of livelihood previously given in Chapter 5, this section will discuss the livelihood constructions of Chomchon Hatanwa residents in the two realms of production and consumption. It will also discuss the livelihood strategies drawn from both market and non-market related activities. All of this discussion will be based on individual rather than household level data.

Figure 6.2: Chomchon Hatanwa residents' main livelihoods

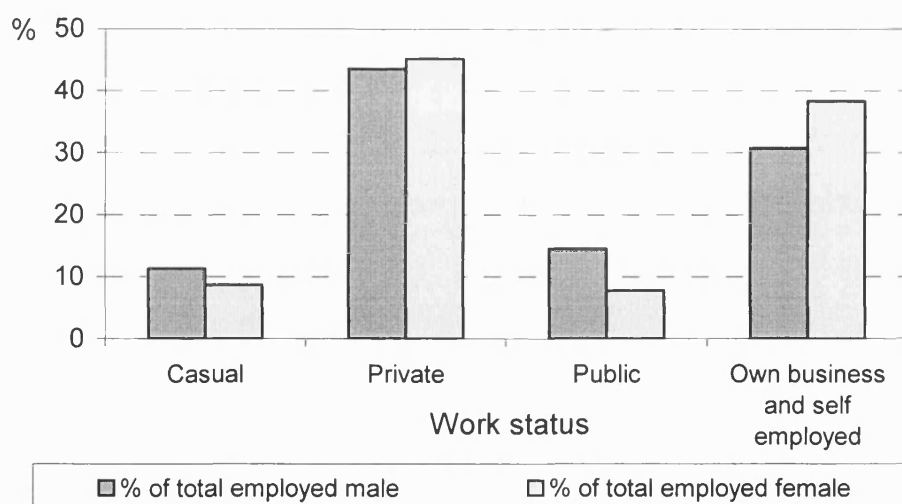


Source: Household survey, October-December, 2000

On the production side, Chomchon Hatanwa livelihoods are all based on non-agricultural production, according to the major source of income, as shown in Fig. 6.2. The majority of employed persons (66%) work as waged labourers, whereas the remaining 34% run their own businesses or are self-employed.

Fig. 6.3 reveals that the largest proportion of employed persons, both male and female, engage in private sector work. These account for almost 45% of all employed persons. Quite significant numbers of male and female workers also engage in self-owned businesses or are self-employed. The smallest proportion of employed persons engages in casual waged work. Clearly, the labour of individuals is a very important resource for Chomchon Hatanwa residents and the main means of obtaining income. Analysing the employment structure from a gender perspective, Fig. 6.3 reveals that employment in the private sector is shared equally between men and women. Males outnumber female workers in the two sectors of casual and public sector employment, while women workers significantly outnumber men in self-owned businesses and the self-employed sector.

Figure 6.3: Chomchon Hatanwa employment classified by sector of employment and sex

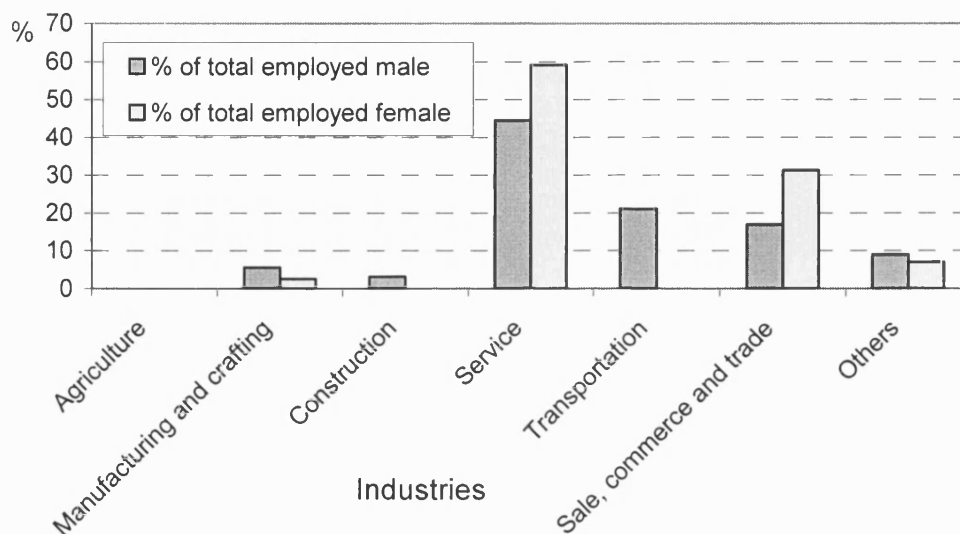


Source: Household survey, August-December 2000

Figure 6.4 reveals that the majority of the active labour force in Chomchon Hatanwa engages in the service industries (almost 45% and 60% of total male and female labour force respectively) and especially tourism (see fig.6.2). The second largest proportion of employed persons work in the commerce and trade industries e.g. in department stores.

Analysing the employment structure based on different industries, it can be seen that there is a clear gender differentiation in employment. As previously shown in Fig. 6.2, women tend to be concentrated in services (hotel receptionists, operators, accountants, cleaners, maids) and commerce and trade (cashiers and sale persons) whereas men monopolise the construction and transportation industries. However, only a slightly higher number of men than women engage in manufacturing and all other industries.

Figure 6.4: Chomchon Hatanwa employment classified by industries and sex



Source: Household survey, August-December, 2000

Based on the breakdown of employment in Chomchon Hatanwa, it can be argued that the livelihood of the residents, both men and women, are highly dependent on the labour market as more than half of the labour force engage in casual, private and public sector work. This is not to say that those engaging in self-owned businesses are not dependent on some markets as self-run businesses are more heavily reliant on produces/products and input markets.

On the consumption side, the scarcity of land and the maximisation of land usage for housing mean the residents have no free land to grow subsistence crops. Small livestock such as chickens and ducks may be kept but with great difficulty. Hence, the level of natural reproductive resources is low. For this reason, Chomchon Hatanwa residents, though to differing degrees, are highly dependent on consumption markets of food, necessities and housing. The degree of reliance on the food market varies from household

to household and is determined mainly by links with rural relatives. In some cases, rations of rice were provided to households after the harvest seasons. Therefore, households maintaining their social resource of strong connections with their rural origins may be less reliant on the food market. It should be noted however that some return for rations of food may be expected in terms of financial assistance during times of rural depression. Overall, it can be argued that Chomchon Hatanwa is highly dependent on markets for both production and consumption, though one may contend that close proximity to the market may not always be interpreted as a negative position. The benefit of wide ranging jobs opportunities, for example, provides the potential to generate more income for people, particularly during the economic boom.

Household differentiation: social organisation, wealth ranking and gender division of labour patterns

Social organisation

When first entering Chomchon Hatanwa, one would immediately feel a strong sense of community and tight social ties between residents. These strong social connections are apparent in many day-to-day activities. These activities, ranging from children playing together in the road, adult males drinking together in the evening after work, adults exchanging conversation, news and resources and people of all ages visiting each other's houses are commonly seen, particularly in the evening and at weekends, as shown in picture 6.2. However, when carefully observed, one would notice that the residents who invest in these social connections are mostly, if not all, permanent residents. In fact, the community has a noticeably strict segregation of social groups. It is fair to say that in the community sphere the permanent residents possess the highest levels of social resources.

Picture 6.2: The common activities in Chomchon Hatanwa



As previously indicated, it is very useful to be able to classify Chomchon Hatanwa residents as either permanent⁵³ or temporary⁵⁴. These two types of residents have very limited connections. The permanent residents, as previously described, have strong social ties within the community as most of them are related to other residents, or else have previously fought together for the rights to their land. Consequently, they have a strong sense of belonging to their community. The social connections between the permanent and temporary residents, in contrast, are limited and often based on unequal terms. The permanent residents play a dominant role within the community, particularly in the political sphere as permanent residents hold all the political positions and thus possess all political resources within the community. Another example of an unequal relationship is evident between landlords/landladies and their tenants. In most cases, landlords have significant power over tenants.

For studying and identifying the wealth and social status of individuals, Robert Chambers has described the "wealth ranking" as the most reliable, cheapest and least time consuming method (Chambers, 1997 page 146-147). In the case of Chomchon Hatanwa this method proved to be highly problematic as in a social sense the community is horizontally segregated. This segregation was first highlighted in the previous examination of the community and became increasingly noticeable during the wealth ranking task itself.

⁵³ Permanent residents have a legal right to stay in their residence or are those who have been living there since the establishment of the community or are an offspring or relations of the permanent residents.

⁵⁴ Temporary residents refers to all people who have no legal right to stay in their residence but rent the property from permanent residents.

While the male group completely refused to undertake the task claiming that they had no knowledge of the temporary residents, women and children groups struggled to finish the task. The women and children groups were able to rank only half or 65 out of 133 households. They maintained that the temporary households are highly mobile, with residents often moving in and out of rented property. They claimed that changes took place too frequently for permanent residents to get to know the temporary residents.

It is arguable that such horizontal segregation is contributed to by the time demands of temporary residents. From direct observation, it appeared that the temporary residents usually worked long hours, which to a great degree reduces the time available for socialising or participating in community activities. In other words, the temporary residents are constrained in the investment in or accumulation of social resources within the community. However, during informal discussions with temporary residents, it was claimed that minimal contact with permanent residents was a result of a strong sense of social exclusion. This appeared quite clearly in one of the PRA map making tasks among the children group. I included five children from the permanent and two from the temporary residents' group and asked them to draw a map. It was clear to me that the contribution of the two children from the temporary residents was highly undervalued and they were excluded and marginalised. At the end of the task, their pen marks (which were a unique colour) did not appear at all on the piece of paper provided to draw the maps. Moreover, no spoken words were heard from them nor did their dormitories appear on the map. At this point, I had to ask the groups where the two children's houses were located and, the group then asked me to give them another chart so that they could restart the mapping process. This example shows that the horizontal segregation has an important role in the analysis and needs to be taken into consideration. The segregation and exclusion of temporary residents could potentially play an important role in how impacts are experienced by actors and could also constrain or provides opportunities for people to respond to the crisis.

Wealth ranking

In accordance with this horizontal segregation, households have been divided into two groups relating to their type of residency. While the wealth ranking for permanent households was carried out by the women and children groups, I have applied the concepts of wealth used by participants to rank the temporary households myself. The women and

children groups classified households into three wealth rankings of "Kon ruay" or rich people, "Pan klang" or medium, and "Kon koan kang jon" or fairly poor people. The mixture of indicators used by the children's group for categorising households with different wealth status included (i) human resources i.e. types of occupation, educational attainment (ii) quantity and quality of productive resources such as accommodation to let, land ownership outside the community (iii) reproductive resources, for instance residency certificate and house and (iv) luxury items such as cars and motorcycles. The women's group employed similar criteria to the children's group but also considered political positions and indebtedness.

The occupation and livelihood of household members are probably the most significant factors in determining the wealth of the household. Good occupations ensure not only high social status but also a secure financial income. From the job ranking, it was claimed by all groups that the general sectors for employment (ranked from highest to the lowest status and preference) were: public sector, private sector, self-owned business and casual work. Jobs with high status and income, they believed, could be obtained through a good education. Social connections may also help in obtaining desirable jobs more easily. However, a high level of education can only be achieved if one has sufficient financial support, usually from parents. Private school is preferred as students have an opportunity to form more rewarding social connections, providing potential access to a better occupation. In this sense, status is not static and people can move up and down between the wealth classes identified. However, in practice it is generally only people from relatively rich families who are able to get a 'good' occupation. Good occupations and successful businesses can also enhance the wealth status of a household through an accumulation of financial returns from those productive economic activities. Consequently, the households identified as rich were more likely to have members engaging in good occupations or in high return businesses.

The level of physical resource stock owned by individual households is regarded as highly important in determining wealth status. It was suggested that poor households own very limited reproductive and productive resources, whilst medium wealth households have relatively higher levels of reproductive, productive and some luxury resources, as shown in Table 6.4. The rich, however, possess all types of resources and a significant amount of luxury resources in particular.

Table 6.4 Summary of household resource profile classified by wealth status

Resources	Rich (16 hhs) Unit=counts	Med (103 hhs) Unit=counts	Poor (14 hhs) Unit=Counts
1. Material			
<i>1.1 Productive (number of households)</i>			
Farm land (else where)	2 (8-10 rais)	15 (4-10 rais)	0
Pick up truck	10	5	0
Shops	6	20	0
Dormitory	11	4	0
Taxi	0	11	0
Tricycle	0	0	1
<i>1.2 Reproductive (number of households)</i>			
Certificate for residency	16	57	1
Houses	16	57	1
Land and property outside community	8	30	3
Home grown vegetable and livestock	0	3	0
<i>1.3 Luxury (number of occurrences)</i>			
Irons	16	103	5
Cars	20	10	0
Motorcycles	26	32	0
Refrigerators	16	52	1
Washing machine	12	10	0
Stoves	16	40	7
TV	26	82	2
VDO	13	32	0
Computer	5	3	0
2. Human			
<i>2.1 Quantity (active labour)</i>			
Male labour	20	79	25
Female labour	18	74	23
<i>2.2 Quality (active labour)</i>			
Education			
- B.tech or above	20	18	0
High school: Private	22	2	0
Public	8	15	0
Secondary school: Private	15	13	1
Public	10	22	51
Primary school: Private	8	3	5
Public	5	111	59
Skills			
- Sewing	5	15	6
- Farming	0	79	28
- Hair dressing	0	21	3
- Construction	0	11	23
- Electrician and mechanics	2	16	0
- Cooking	2	13	0
<i>2.3 Dependency ratio (non active member/active member)</i>	0.85	0.52	0.34
3. Social (number of households)			
<i>3.1 Relation with community committee</i>	16	45	1
<i>3.2 Relation with co-workers and friends</i>	16	98	3
<i>3.3 Relation with politician</i>	5	9	0
<i>3.3 Relation with neighbours and relations</i>	16	45	13
<i>3.4 Relation with outside community relations</i>	16	85	13
4. Financial (number of positions)	15	3	3
<i>4.1 Savings</i>	16	38	2
<i>4.2 Loans</i>	11	98	10

With the above criteria, the groups classified households into wealth ranking groups. The results shown in Table 6.5 indicate that the majority of households (77.5%) are classified as medium wealth status. There are only a limited number of households classified as rich or poor, which all together make up just over 22% of households. This pattern in the wealth classification of households is similar for both permanent and temporary residents, although the distribution of wealthy households favours permanent residents, with only one rich household having temporary residents.

Table 6.5 Chomchon Hatanwa wealth ranking

Wealth status	Number	%	Type of residence	Number	%
Rich	16	12	Permanent	15	11.3
			Temporary	1	0.8
Medium	103	77.5	Permanent	48	36.0
			Temporary	55	41.4
Poor	14	10.5	Permanent	6	4.5
			Temporary	8	6.0
Total	133	100	Permanent	69	51.9
			Temporary	64	48.1

Source: PRA, Wealth ranking task with women and children groups, December, 2000

To gain a better appreciation of the characteristics of households in different wealth backgrounds it is useful to look closer at some examples. The PRA participants' classified the *Arthit* and *Jitra* household as a rich household. Arthit and Jitra are both 36 year old. Arthit, who moved to Chomchon Hatanwa when he was nine, is the son of Bhoo Peng, the community leader. Arthit was encouraged by his parents to undertake the police cadet institute training and is now working as a policeman. It is very likely that he will be the successor to his father as the village headman after Bhoo Peng's retirement.

Arthit met Jitra his wife roughly five years ago through his colleague's wife. After their marriage Jitra moved into Arthit's house. They now have one a son aged 4 who attends the private kindergarten school. Jitra has a BTech education and has been working as an accountant in a private company since her graduation. This household can be seen as having rich human resources which are well utilised to generate financial resources for their household. Moreover, Arthit's father was allocated the residential certificate after the first survey. He was able to use the land he claimed as security to borrow money from the credit union which was used to build a 15 room dormitory. These dormitories are an

important source of extra income for his household. Arthit has also inherited some land in the Hod district, part of which is an orchard from which he earns some income.

It can be seen quite clearly that the Jitra and Arthit household has a high quality resource portfolio in many respects. The social connections which Arthit has with the village headman first secured him with the residency certificate. Besides, Arthit and Jitra also have a high degree of physical resource stocks of land within the community, a dormitory and also land outside the community. Their human resource level is also high and has been utilised to obtain well paid and secure occupations. These occupations and the utilisation of physical productive resources further provide this household with financial resources in the forms of income.

Let's now explore the household of *Suriya* and *Rampueng* who are both aged 56. Their household contains only two members and is classified by the PRA participants as a medium wealth household. Suriya is a second cousin of Bhoo Peng, the village headman, and moved into the community a couple of years after his cousin. He has a residential certificate for a small plot of land with a wooden house that is similar to many houses constructed in the village at that time. He met his wife Rampueng at a religious ceremony at the temple near to the community. Rampueng was from the neighbouring area just outside this community. Following their marriage they had only one son who married a Dutch lady he met through work. Their son has now moved to the Netherlands but remains in contact with his parents through telephone calls and letters and they also receive some remittance from him. Currently, Rampueng is running a small grocery shop selling pots of curry, rice and canned food. Suriya, on the other hand, runs a taxi business and owns a small garage which he takes care of when he is not out driving his taxi. Suriya and Rampueng do not own any other land outside the community and do not have any other source of income.

From the discussion, it could be suggested that Suriya and Rampueng are classified as medium wealth because of their financial income, which is a consistent stream of income derived from the utilisation of both their human (labour) and physical resources (grocery store, taxi and garage). The social resources of this household in terms of their connections with their son also provide them with some further income. Their blood connection with the village headman also heightens their status within the community.

The last household that will be examined here is a poor household. *Prakarn* and *Yajai* aged 37 and 28 are originally from the Maejoe district some 20 kilometres north of Chiangmai (and close to the Maerim district where Ban Wangmoon is located). They moved to Chomchon Hatanwa in 1995 after they sold their land to a developer. They now have one small daughter aged 2. Currently, their old farm has been converted into a housing estate and they have no residential land left in Maejoe to fall back on. However, *Prakarn* claimed that he and his family can always go back to stay with his parents, their only social safety net. *Prakarn* and *Yajai* decided to move to Chiangmai in order to seek waged employment. With a limited education of 4 years in school, *Prakarn* had to work as a construction labourer while *Yajai* stayed at home. *Prakarn's* income from construction work, it was claimed, was sufficient to cover their living expenses including food and rental costs during the boom. In some months they could also send back a little money for their parents.

In 1997, however, *Prakarn* had a motorcycle accident in which his leg was badly broken. He was in an Intensive Care Unit for many days and needed a major operation to insert a piece of metal in his leg. They had to borrow a large sum of money to pay off the hospital fees. The accident not only cost them a substantial sum of money but they also lost their one and only means of income. In addition, having a daughter during the critical time also put even greater pressure on the financial resources of the household. From this context it can be seen quite clearly why the *Prakarn* and *Yajai* household is classified as poor.

The wealth ranking task and the closer examination of selected households provided has been undertaken with two main objectives. Whilst the task was primarily carried out to understand the notions of wealth and the vertical social structure within the community, the end results were also used as guidelines to select the case studies. As for Ban Wangmoon, households were again selected from different socio-economic backgrounds in order to assess the impacts of the crisis. Six households, four permanent and two temporary, were included in the case studies. The three households already described were included with three more households, giving a total of one rich household, three of medium wealth and two that were fairly poor. Also, two out of the six cases were single male and single female headed households.

Gender division of labour: roles and responsibilities

As in the previous chapter, labour is classified into the three categories of productive, reproductive and community work, as based on the triple roles framework of Moser (1993). Table 6.6 summarises the gender division of labour patterns in all three arenas. The data shows how labour division differs according to the type of households and type of residency.

Table 6.6: Chomchon Hatanwa gender division of labour pattern

Household type	Type of resident	Reproductive	Productive	Community
Single	Permanent	Self	Self	Self
	Temporary	Self	Self	None
Nuclear	Permanent	Women	Men & women	Men & women
	Temporary	Women	Men & women	Women
Extended	Permanent	Women & children	Men & women	Men & women
	Temporary	Women & children	Men & women	Women & children
Joint	Permanent	None	None	None
	Temporary	Women & men	Men & women	None

Source: Household survey, August-December 2000, and PRA, Gender Division of Labour

The gender division of labour in the reproductive work in Chomchon Hatanwa is apparent but difficult to generalise on. In nuclear households and extended households, for example, it is common for at least one parent or both parents to work for a waged income while women have an additional responsibility for domestic work including cooking, cleaning, bringing up children, washing up and so on. In some extended households, children (both girls and boys) occasionally help with the housework. In single households, it is obvious that the one member has to do everything by him or her self. For the joint households, on the other hand, work appears to be equally divided between members. Clearly, although joint household members share the property, no individual feels obliged to carry out all the domestic chores.

As explored in the previous chapter, one important aspect of the gender division of responsibility within the household is household budget management. As shown in Table 6.7, it is apparent that women are the main household budget managers for almost 65% of all households taking part in the survey. Women in these households are given allowances on a monthly basis to provide for and maintain the welfare of the members. Men are the

budget managers exclusively in all male households or single male households. Joint budget managing is the usual case for a productive couple engaging in a co-run business. In these cases money is put into a common "kitty" and both men and women have direct access to it. Separate budgets are mostly used in joint households where members are non-blood related. The cost of living is then equally split between members.

Table 6.7: Household budget management classified by sex: Chomchon Hatanwa

Pattern	Total
Women as budget managers	86 (64.7%)
Men as budget managers	25 (18.8%)
Joint budget management	12 (9.0%)
Separated budget management	4 (3.0%)
Not known	6 (4.5%)
Total	133 (100 %)

Source: Household survey, August-December, 2000

With regard to productive work, both men and women are highly active, as previously described. However, the work in which men and women are engaged varies. Women tend to be concentrated in the private and self-owned business sectors, carrying out physically undemanding or service work. Men, on the other hand, tend to be engaged in the public, private and self-owned business sectors doing more physically demanding work.

PART II The impacts of the recent economic shocks in Chomchon Hatanwa

The initial plan for the field work was to interview all 133 households resident in Chomchon Hatanwa at the beginning of the survey period. However, over the duration of the fieldwork, 12 households moved out of and 6 households moved into the community. Thus, at the end there was a total of 127 households taking part in the impact of the economic crisis survey in November, 2000. During interviews with 127 interviewees, comprising 65 men and 62 women, almost 100% of respondents claimed that they had previously heard about the economic crisis. Only 3 people (2 men and 1 woman) had no knowledge of the economic crisis. In general, the economic crisis was considered to be

"...the situation of bad trade, low profit, inconsistent sales. The period when the prices of goods and products are drastically increased particularly petrol and food while the income level remains the same or decreases. The economic condition is bad i.e. high inflation, bad economy, economic fluctuation and financial crisis and the failure of the government policy. Crisis is also described as a period of a high unemployment." (Gathered from the household survey Round 2, August-December, 2000)

From this crisis definition formed from residents' perceptions, it is reasonable to classify the impact of the economic crisis on community lives into three broad categories of changes in employment, income and expenditure. Table 6.8 summarises how the residents experienced the crisis. The majority of household representatives claimed that at least one of their household members had changed their jobs after the crisis. These job change incidents occurred in more than 80% of the total 127 households interviewed and some reported having changed jobs more than one time in the past three years. Apart from changes in employment, more than 60% of household representatives suggested that their household income level had been affected by the crisis. In addition, there were many incidents of changes in expenditure patterns in households: in fact 88.2% of all households had to change the way they utilised their income. From the residents' point of view, it can be concluded that the economic crisis has had a negative impact through all three channels of changes in employment, income level and expenditure.

Table 6.8: Impact of the economic crisis on Chomchon Hatanwa residents

Impact	Total (n=127)	Male (n=65)	Female (n=62)
1. The changes in employment	102 (80.3%)	50 (76.9%)	59 (95.2%)
2. The changes in income	84 (66.1%)	45 (69.2%)	39 (62.9%)
3. Changes in expenditure	112 (88.2%)	50 (76.9%)	62(100.0%)

Source: Household survey round 2, August-December, 2000

The impact of the economic crisis and the ESAPs on employment

According to the key informants, the employment situation in Chomchon Hatanwa, and perhaps generally elsewhere in the country, during the economic boom was described as “Talad ngan yoo nai mue loogchang” or ‘market in labour’s hand’. This means there was excess demand for labour in the market. Bhoo Peng claimed that there had been plenty of work in the construction industries, as well as work in retail trade and service industries such as in department stores and hotels for those having a relatively higher education. He said that the dormitory within the community was always full. Shops and business owners were also enjoying good trade. It could be contended that, during the boom, workers were in a better position to gain from the market in choosing the best suited jobs that matched their resource stocks. From the job ranking task, the best jobs were considered to be those that provided high income, good fringe benefits and job security.

After the crisis struck in 1997, however, the economic atmosphere changed. As previously mentioned in Chapter 3 and further revealed in Chapter 5, private businesses were hit hard, especially those within the construction and service industries. In Chomchon Hatanwa, the changes in economic conditions negatively affected the employment situation. Based on the household survey, the unemployment rate rose from 4.3% to 4.9% between 1997 and 2000. However, the unemployment rate of women actually improved, while the male unemployment rate worsened. The explanations for these changes will be examined later.

When asked “Have you or any of your household changed jobs since 1997?”, the respondents reported 165 cases (some reported having changed more than one job in the past 3 years) of changes in employment. Table 6.9 below illustrates the work status and the working sectors that people engaged in prior to the crisis. The table reveals that more the majority of the reported case of 82% were previously engaged in some kind of work whereas only 29 persons were new entries to the labour market. These ex-workers who reported changing jobs mainly engaged in four sectors which are, ranging from the highest

to smallest cases of reported change, private (69 cases), own business (55 cases), public (5 cases) and casual waged work (7 cases). As it was argued in Chapter 3 the market mediates the impact of external and internal economic imbalances to businesses, workers, employers, employees, consumers and those people active within the economy. This high number of changes in jobs and the previous status prior to the change of jobs implies the possible relationship between proximity to the market and the immediate impacts on these residents of Chomchon Hatanwa whose livelihoods involve much engagement in the market.

Table 6.9: Type of employment classified by sex and type of work before change of job: Chomchon Hatanwa

Type of work	Total	Male	Female	Total number of labour force
Own business	55	28	27	82
Casual	7	5	2	24
Private	69	30	39	106
Public	5	4	1	27
Others	29	15	14	n.a.
- <i>Unemployed</i>	6	4	2	n.a.
- <i>Students</i>	20	11	9	n.a.
- <i>Housewife</i>	3	0	3	n.a.
Total	165	82	83	239

Source: Household survey, August-December 2000

It may be envisaged that the changes in economic conditions would have created risks for some and opportunities for others depending partly on their position within and proximity to the market. It was found from the survey that people within the community did not all experience similar outcomes from the crisis. Differences can generally be found between people working in different employment sectors on different terms of employment agreement and levels of bargaining ability. Amongst all, private sector employment appears to be the most dynamic. That is to say that high numbers of change-of-job incidents involved this sector (65% of people working within the same sector). This can be partly explained by the fact that, prior to the crisis, the majority of residents were engaged in this sector. Also, within this sector, the service industries that employed many residents were amongst the most negatively affected by the crisis.

Arguably, these businesses were enjoying a bubble boom that collapsed during the crisis. However, some changes of jobs may have had positive implications for the residents. For example, the influx of foreign businesses, taking advantage of the currency devaluation

following the crisis, generated new jobs in the private sector. For instance, hotel businesses and department stores absorbed some of the excess labour and in many ways offered better employment contracts.

Public sector workers appear to have been the least affected in terms of employment, with only five people or 18.5% of people working in this sector changing employment. Some business owners also reported a change in their form of employment. In terms of severity, casual waged workers were the most affected by the fall in demand for labour, especially in the construction industry. This group of workers were hit hardest due to the vulnerabilities normally associated with casual employment. Also they tended to have low human resources i.e. limited formal education, low bargaining power and few useful productive skills. When the demand for their current work drastically declined these limitations hindered them in finding work in other industries

When asked “Why did you or your household members change employment?”, a wide variety of answers were given, as shown in Table 6.10. All five public sector workers who changed jobs did so because their temporary contracts ended. These workers were employed on the government run “Miyazawa” programme, set up as part of the Social Safety Net programmes. For private employees, the majority (18 persons or 26%) claimed that they changed jobs because they were laid off. Most others left their job because of disputes over unfair pay adding up to 14 cases or 20% of private sector workers or else felt they were squeezed out in other ways accounting for 17 persons or 24.6%. For casual waged work, almost all job changes were due to a decline in demand for labour, particularly in the construction industry. More than half of the business owners and the self employed changed business because of falling market prices adding up to 31 cases whereas another 21 cases changed jobs because of the drastic decline in income. These workers were farmers who had recently moved to town to set up a business. Additionally, twenty nine people who were not previously employed entered the labour market in order to raise extra income for their family.

Table 6.10: Reason for changing employment classified by sex and employment sector

Reasons	Public			Private			Casual			Own bus.			Others		
	T*	M	F	T	M	F	T	M	F	T	M	F	T	M	F
End contract	5	4	1	0	0	0	0	0	0	0	0	0	0	0	0
Laid off	0	0	0	18	10	8	0	0	0	0	0	0	0	0	0
Close down or no demand	0	0	0	8	5	3	5	5	0	3	3	0	0	0	0
Squeezed out	0	0	0	17	5	12	0	0	0	0	0	0	0	0	0
Health	0	0	0	6	1	5	2	0	2	0	0	0	0	0	0
Dispute over payment	0	0	0	14	8	6	0	0	0	0	0	0	0	0	0
Bad produce prices	0	0	0	0	0	0	0	0	0	31	18	13	0	0	0
Need additional income	0	0	0	0	0	0	0	0	0	0	0	0	29	15	14
Others	0	0	0	6	1	5	0	0	0	21	7	14	0	0	0
Total	5	4	1	69	30	39	7	5	2	55	28	27	29	15	14

Source: Household survey, August-December, 2000 *T= total, M= Male, F= Female

When asked “What was the response of you or your household members having being affected by a loss of employment?” four main strategies were cited, namely (i) 44.8% of total cases finding a new job (mostly among people already engaged in the private sector) (ii) 7.2% being unemployed but seeking work (iii) 10.1% starting new business (iv) 36.2% taking on casual waged work as shown in Table 6.10. Almost half of the affected workers, both men and women, successfully found new employment, usually in the same sector or the same type of work: sometimes the jobs change occurred more than once. Three women who stayed unemployed believed their lack of success in finding a new job was due to being pregnant. Seven workers had taken on new businesses, all involving food retailing. Of the 25 people who decided to take on casual waged work, most were newly migrated workers from rural villages. From Table 6.11, gender differentiation in the responses to unemployment is not clear, though it is apparent from the interviews that women may have faced discrimination and constraints when looking for work while pregnant.

Table 6.11: Responses to the loss of employment

Response	Total	Male	Female
Looking and finding new jobs	30	16	14
Being unemployed	5	2	3
Starting new business	7	4	3
Working as casual worker	25	15	10
Total ⁵⁵	67	37	30

Source: Household survey, August-December, 2000

⁵⁵ The total number of the strategies being employed by individuals does not match the number of reported cases of jobs change because one person may report many cases of jobs changed but report only one strategy used.

The evidence indicates that a very high proportion of Chomchon Hatanwa residents have been affected by changes in employment following the crisis. And this may be explained by the fact that Chomchon Hatanwa's livelihood was closely linked with the market especially in the sectors that are susceptible to changes in economic conditions. The differentiation of the severity of the impact felt may be determined by the affected sectors (conditions of changes) and terms of employment agreement in each sectors and industries.

It should be remarked that, in Chomchon Hatanwa, there are no significant differences in the figures for men and women, in terms of the proportion of the work force who left jobs. Gender-differentiated effects will be determined in part by the uneven impacts of the crisis on the industries and types of work that employ uneven numbers of men and women. Existing employment patterns as shown in Part I are highly gendered and reinforced by employers and accepted ideologies. Therefore, gendered impacts will be dependent on which employment sectors were worse affected by the crisis. The fact that no gender biases were identified in terms of the total numbers of men and women who changed jobs suggests that economic changes were so wide-ranging that the overall effect of cross-sector impacts was fairly evenly distributed on men and women, at least in the case of Chomchon Hatanwa.

The impact on nominal income and returns

On asking the residents "How has your household income changed compared to 1997?" it was found that the average annual income of Chomchon Hatanwa's household declined from 115,294 baht to 109,854 baht in 2000, or by 4.7% (household survey, 2000) see Table 6.12 on the next page. The factors contributing to this decline include (i) total loss of income following job loss (ii) a reduction in income due to declining demand for casual waged work (iii) a reduction in income, overtime or fringe benefits (iv) a reduction in produce prices and (v) an increase in production costs. Table 6.12 shows the changes in household nominal income between the year 1997 and 2000. It can be seen that approximately 35% of households reported a reduction in their income whereas 33% claimed that their household income increased. However, those households affected negatively had a decrease in income of 22.6% on average compared with an increase of only 9.9% for those positively affected. Hence, for all households, the average change in annual household nominal income was a decline of some 5%.

Table 6.12: Change in average annual household income between 1997 and 2000

Changes in income	Number of households	Average income changes
Decrease	45 (35.43%)	-22.6 %
Constant	40 (31.50%)	0 %
Increase	42 (33.07%)	9.9 %
Total	127 (100.00%)	-4.72%

Household survey, August-December, 2000

Analysing the changes in household income according to the main household livelihood (the largest income source for each household), it was found that the increases in income occurred in those households reliant on public sector work (16), and private sector (26) as shown in Table 6.13. The majority of households (35 households) reporting no change in income tended to have members with higher human resources (higher education and working experience) who were employed in the private sector, while the most drastic declines in income occurred in self-owned businesses (12 households) and private sector (16 households) based households. Businesses that were negatively affected subsequent to the crisis included a taxi business (affected by petrol prices increases and declining demand) and a food retail business that faced stiffened competition following the crisis. It is also worth pointing out that the households with income heavily dependent on casual waged work (17 households) all reported having a decrease in income. This is mainly because the demand for labour in this sector dropped significantly following the crisis.

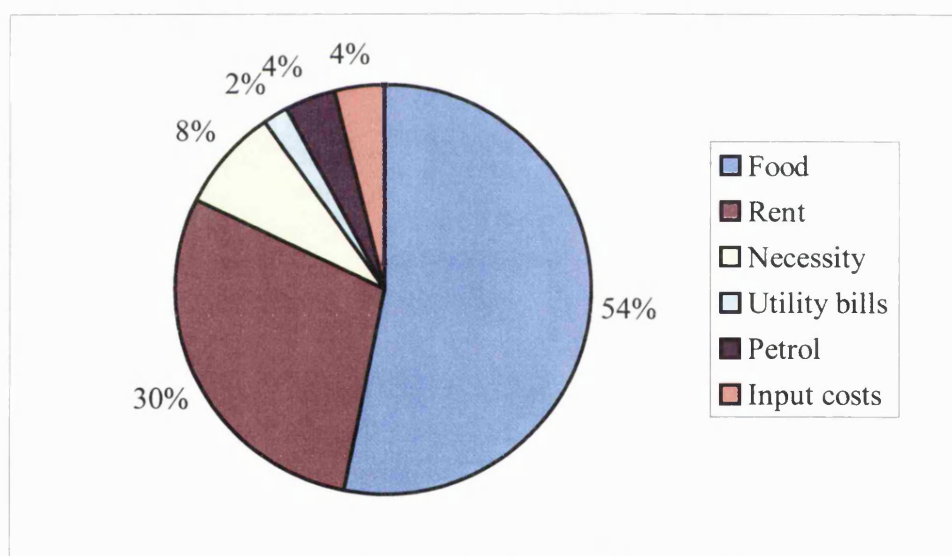
Table 6.13: Changes in income classified by type of main livelihood

Changes in income	Numbers of household	Types of main livelihood	
Decrease	45	Casual	17
		Private	16
		Public	0
		Own business	12
Constant	40	Casual	0
		Private	35
		Public	5
		Own business	0
Increase	42	Casual	0
		Private	26
		Public	16
		Own business	0
Total	127		

Source: Household survey, August-December, 2000

Unsurprisingly, changes in the incomes of individual members within each household were often varied. However, the impacts of changes in income have consequences for other household members through various knock-on effects. The severity of these knock-on effects depend on how income is managed and distributed within the household as well as the division of labour, the division of responsibility and roles and intra-household negotiations. It also depends on how the household budget is being spent and the costs of expenditure for which a person is responsible for managing. For example, in Chomchon Hatanwa, the average household budget composition comprised 54% for food, 30% for rent, and 8% for other necessities (e.g. soaps, detergents) as can be seen in Fig. 6.5. Arguably, if the household budget remains the same or decline when the prices of these items have increased, it is likely that the household budget managers who are mostly women tended to have to deal with this effect.

Figure 6.5: An average of household budget composition



Source: Household survey, August-December, 2001

The responses to the changes in income level were varied and much determined by available resources. In fact, increases in the income of many households were achieved by the additional mobilisation of household members within the labour market. As previously shown in Table 6.8, 29 persons who used to be students, housewives, or unemployed persons were looking for work. This available labour is regarded as a human resource in the context of the household resource portfolio. Notably, there were no biases in the gender of these additional workers, in contrast to Moser's findings (1995) from four comparative case

studies in Zambia, Ecuador, the Philippines and Hungary. The additional workers being mobilised were usually the oldest sons and daughters. It was usually argued that the oldest children, probably with a higher education, could earn more money regardless of their gender. It can be suggested that the mobilisation of labour in Chomchon Hatanwa was determined by the age and education levels of additional workers.

Many households generated extra income by having children engage in part time work. Again, there was not found to be any significant gender preference. These children, aged between 16 and 18, took on jobs as waiters/waitresses for a franchised fast food store and cultural centre restaurant near the community. In most cases, the children themselves initiated this, though parents did not object. The additional income was usually used as pocket money or for school equipment and activities, while parents still continued giving the children the same allowance. Although this did not seem to directly cushion the financial burden of parents it can be argued that it relieved finance-related tensions between parents and children.

For many workers, changing jobs was a key component of their survival strategy. This includes those who previously worked within the private sector or casual waged work but experienced a significant loss of income. Some started new businesses, mostly involving food retail because it requires low resources in terms of capital or skills. Others looked for new work, mainly in the private sector. As many foreign supermarkets and department stores merged with Thai businesses, the expansion of these stores, including English "Tesco and Lotus", Dutch "Makro", and French "Carrefour" in Chiang Mai meant new job opportunities for many workers. While looking for work, personal connections with friends and relatives were often utilised to obtain employment. For example, the information on vacancies was often passed on between friends while recommendations from current employers to their prospective bosses also helped some. In this respect social connections proved to be an invaluable human resource possessed by some individuals.

Many workers, especially those experiencing poor farming and production returns, chose to migrate to Chiang Mai town to look for waged work. However, not all were successful and many had to migrate back because the demand for casual labour was too low.

It can be seen that, on average, households experienced a decline in household income subsequent to the crisis. The probable level of impact for each household was related to the

type of employment sector on which the household was dependent. Public sector employment proved to be the least negatively affected, whilst households reliant on private sector employment had mixed experiences. Some reported an increase in income whilst others were negatively affected. This appears to have been determined to a large extent by the industry in which they were engaged, though it may be further argued that individuals engaged in different sectors according to their level of personal human resources. Those engaging in commerce, especially retail and trading, gained most from the crisis following the expansion of businesses subject to takeover from foreign companies. The most negatively affected were the casual waged workers and business owners. Although many authors claimed that women's income was more negatively affected because of discrimination in the labour market (Pearson, 1991, Moser, 1995), this was not found to be the case in Chomchon Hatanwa. I would contend that the changes in income levels are determined by the sector and type of industry in which the worker is engaged. Furthermore, it can be argued that the gender segregation within each employment sector may result in a gender differentiation of changes in income levels. For example, more women than men experienced a decline in income due to struggling hotel businesses because more women were engaged in the industry. Likewise, it can be argued that male workers were worse affected by the decline in the construction industry, as they were more concentrated in this sector. However in terms of overall income changes these gender biases of employment seem to cancel each other out.

The response of households to changes in income, especially when income significantly declined, was varied. As previously described, these responses included (i) mobilising extra labour into the market (ii) looking for additional work (mostly students) and (iii) changing jobs. The choice of strategy and its success was partly determined by available resources of finances and qualifications, although age was also an important factor. In the mobilisation of extra labour, the oldest or highest educated child was often withdrawn from education, as they had the highest earning potential.

The impact on expenditure and prices of necessities

When asked "How has your household expenditure changed since 1997?", it was found that the average annual household expenditure increased from 83,671 baht to 90,514 baht between 1997 and 2000. In other words, household expenditure increased by approximately 8% over a period of three years after the economic crisis. This is less than

the Northern Region general CPI, which increased by approximately 10% over the same period (DIT, 2002), suggesting that households suffered a drop in their quality and/or quantity of consumption.

Table 6.14 shows the changes in household annual expenditure between 1997 and 2000. It can be seen that the majority of households (60%) had their household expenditure increase (by 14.3% on average). However, more than 35% claimed that they maintained the same level of household budget whereas about 6% had to cut their expenditure.

Table 6.14: Change in average annual household expenditure between 1997 and 2000

Changes in expenditure	Number of households	Average expenditure changed
Increase	75 (59%)	14%
Decrease	7 (6%)	-15%
Constant	45 (35%)	0%
Total	127 (100%)	7.6%

Source: Household survey, August-December, 2000

In all cases, the respondents claimed they were affected by an increase in the prices of necessary goods, products and services. The ability of households to adjust expenditure in response to the changes in prices was varied and determined by a range of factors such as disposable income levels, household budget arrangement, and the impact of the crisis on income and available resources, both productive and reproductive. It was found that households that reported having an increase in household expenditure were generally those better off and most fell into the rich category of the wealth ranking who usually do not have to pay for rent. The fact that they were able to increase their expenditure while the price of the necessities increased almost suggests that their expenditure patterns probably did not change for the worse. Of the households that claimed they maintained the same level of expenditure, most also maintained the same level of income while households that decreased expenditure were invariably those that experienced a loss of income.

Impact of increased input costs

From the survey, it was apparent that the businesses run by the residents of Chomchon Hatanwa which were most affected by the increase in production costs were transportation, mobile trading and food related businesses, mainly due to increased petrol prices. Food-related businesses were also affected by the increase in food prices in general, especially

seasoning products. This will be covered in more detail in the next section. Gender implications within food-related businesses arise due to the fact that more women than men run these businesses, often in addition to managing the household budget.

Table 6.15: Changes in prices of necessities between 1997 and 2000

Changes in prices of necessity*	Total respondents	Male	Female
Increase in prices of input	38 (30%)	24 (37%)	14 (23%)
Increase in prices of consumable goods	112 (88%)	50 (77%)	62 (100%)
Increase in prices of petrol	88 (69%)	51 (79%)	32 (52%)
Increase in prices of utility bills	80 (63%)	39 (60%)	41 (66%)

* The respondents were asked to compare the price of the same period in 1997 and 2000 to avoid the seasonality changes.

Source: Household survey: August-December, 2000

Impacts of increases in consumable goods prices

Table 6.15 shows data from the household survey indicating that almost 90% of the 127 interviewees claimed that their households were negatively affected by the increase in consumable goods prices, including food, personal care products and rent. All female respondents were aware of the increase in prices whilst 77% of male respondents acknowledged the changes in consumable product prices. As a consequence, many households shifted their shopping behaviour from buying things in bulk, which was generally cheaper to buying things in smaller quantities but more frequently.

A survey was undertaken on consumables prices in three grocery shops within the community. The results shown in Table 6.16 reveals an increase in almost all product prices between 1997 and 2000 with an average increase of 34%. The products with prices that did not change were salt and monosodium glutamate (MSG). The highest price changes were as high as 100% and involved agricultural produce, particularly eggs, runner beans, shallots, garlic and anchovies. Seasoning and personal care product prices, although increasing, did not change as drastically. It is noteworthy that some of the large packaged products that used to be sold in the local shops became unavailable. These products were mostly personal care products such as toothpaste and shampoos in large quantity packages. The main reason for local shops to stop stocking such products was the declining demand for such products. Although the residents were aware that larger quantity products were better value, limited cash flow during the economic hardships forced them to buy goods in smaller quantities.

Table 6.16: Comparison of consumable product prices in Chomchon Hatanwa between 1997 and 2000 (baht/unit)

Products	Before crisis (baht/unit)	After crisis (bath/unit)	%	Duty	
				M	F
Pork	Not for sale	Not for sale	0		*
Chicken	Not for sale	Not for sale	0		*
Beef	Not for sale	Not for sale	0	*	*
Eggs (small)	18	22	22.2		*
Eggs (large)	20	28	40.0		*
Vegetable oil	8	11	37.5		*
Fish sauce (small)	10	12	20.0		*
Fish sauce (large)	23	Not for sale	0		*
Light soy sauce	22	26	18.2		*
Dark soy sauce	8	10	25.0		*
MSG	1	1	0		*
Sticky rice	8	12	50.0		*
Jasmine rice	12	17	41.7		*
Sugar	12	14	16.7		*
Shallot	30	60	100.0		*
Garlic	30	60	100.0		*
Dried chilli	5	7	40.0		*
Salt	1	1	0		*
Shrimp paste	5	8	60.0		*
Anchovies	1	2	100.0		*
Runner beans	12	30	150.0		*
Detergent (sachet)	1.5	2	33.3	*	*
Detergent (small)	4	8	100.0	*	*
Soap (Parrot)	Not for sale	8	0	*	*
Soap (Lux)	8	10	25.0	*	*
Tooth paste	14	18	28.6	*	*
Shampoo	1	2	100.0	*	*
Condensed milk	16	Not for sale	0	*	*
UHT milk	8	10	25.0		*
Snack	5	Not for sale	0		*
Medicine	Not for sale	Not for sale	0		*
Total	283.5	379	33.7		*

Note: data gathered from consumable product prices survey of three grocery shops within the community, December, 2000. Prices were compared at the same period of time in year 1997 and 2000

From the interviews, focus group discussions, and also direct observation, it was found that a gender division of expenditure was very apparent within the community, as shown in Table 6.16. It is considered that the existing patterns of having women as household budget managers see Table 6.6, as well as the division of labour by which women are responsible for maintaining household welfare, meant that women were more directly affected by the rise of food and necessity prices especially when the budget composition constituted a large

proportion of food, rent and necessity expenditure shown in Fig.6.5. It should be noted that the referred impacts were undoubtedly passed on to other household members, including males and their children. This is particularly pertinent when a reduction in expenditure meant reduced quality and/or quantity of food. Sometimes, through a process of negotiation, the women who were responsible for buying these products obtained increased allowances. This issue was investigated during the survey but probed further during the in-depth interviews with the case studies. Overall, it is women who were most likely to feel a direct impact of the rise in consumable prices due to their role of managing expenditure as well as their sometimes limited bargaining or negotiating power.

In response to the increase in produce prices, women and those who were responsible for buying household consumables had to adjust their purchasing behaviour. The most common response was a change in the quantity of products purchase. It was found that many women preferred to buy things in smaller quantity to reduce the money spent on each shop. They prioritised the most essential products and postponed buying the non-essential items such as clothes, shoes and student uniforms. The fact that small quantities were often purchased implies that journeys to shops were made more frequently. The shop owners also adjusted their selling strategies. For example, agricultural produce was often divided into smaller quantities in order to maintain the same price per unit. The role that brand names played in purchasing decisions also declined. For instance, instead of buying Lux soap, residents shifted to Parrot soap, which is cheaper. For better off households, purchasing behaviour also changed. Richer households were able to buy in bulk from the discount department stores, particularly during the promotions. They were only able to do this because they had significant reserves of financial resources.

Impact of increases in petrol prices and fees for utility usage

As previously mentioned in Chapter 3, the utility service charges were adjusted following the crisis to reflect real production costs. As a consequence of this, and also increases in VAT, utility costs increased. The implication for Chomchon Hatanwa residents was quite varied. For the permanent residents in 69 households, service charges had to be borne by the residents. However, temporary residents in rented accommodation were at the mercy of their landlords/ladies in terms of how increased charges were passed on to tenants. The electricity and water costs for tenants were charged monthly as a fixed sum of

approximately 25% of the total rent. After the crisis, the landlord increased rents, claiming that electricity and water bills had risen.

The gender implications of the increase in electricity and water fees are not uniform. For the permanent residents, women were responsible for all utility expenses. Hence, it can be argued that women faced a primary impact from the changes in such charges. However, for the rented property, males generally took care of the rent and thus felt more immediate impacts.

As a business input, the increase in petrol prices affected many businesses and their owners, especially transportation businesses. Table 6.15 shows that more men (78.5%) than women (51.6%) reported a negative impact from the higher petrol prices. This can be partly explained by the fact that businesses such as transportation and mobile trading, which require a high use of petrol, were male dominated businesses.

An adjustment in the usage of cars and transports were generally claimed during interviews. For example, people changed from using cars to motorbikes if they travelled significant distances. Sharing transportation was also one of the most popular strategies, while travelling short distances was often done on foot, including shopping trips by women. Students were also affected by increases in petrol and some changed to schools closer to the community.

In summary, average household expenditure in Chomchon Hatanwa increased. All households felt the impact of the increase in prices though individual households experienced the impact in different ways or to different degrees. With regard to gender, women and men may also have felt different impacts. It is considered that the gender division of responsibilities and expenditure determined the gender-differentiated impact of the increase in prices. Women in general tended to feel a more negative impact from the increase in food prices whereas men were likely to have more direct experience of the increase in oil prices and rent. The responses to the increases in prices were also different on gender grounds. This is because men and women had different levels and types of resources at their disposal.

The impact on health and education service provisions

As previously mentioned in Chapter 3, although government spending was drastically curtailed, the budgets for health and education were made a high priority (see Chapter 3). When asked “Have you or your household members’ health been affected by the economic crisis?”, almost all respondents claimed that there was no relation between their health and the economic crisis. However, when asked whether the choice of health care service in times of sickness changed, the answers were varied.

It was found that a limited number of rich households continued to pay their health insurance premiums, which did not increase. They claimed that they preferred to continue using private health care in times of sickness. For the majority of the medium wealth households, paying for premiums became more difficult because of the decline in real income. Without insurance schemes, there was a clear possibility of a severe negative impact from the increase in medication prices subsequent to the baht’s devaluation as well as the rise in private hospital fees. As a consequence, some households explained that switching from private clinics and hospitals to public hospitals was considered only when they had insufficient money to cover the costs of private health care. However, for some medium and poor households, that was not the case. The two alternatives were (a) using public health care or (b) self-medication (buying own medicines). Most residents in this situation preferred the latter choice because of the time factor. It was claimed that the wait for public health care was too long and often the same types of medication were given.

An impact on education is apparent for the students in higher education. There were seven students who dropped out from high school or higher education. Their parents claimed that the drop out was temporary and only occurred because they were currently unable to afford the fees. Parents were hoping that when their financial situation recovered, they could return their children to schooling. There is no apparent gender distinction in student dropouts. The children who dropped out of education instead worked to provide additional income for their households. There were no reported incidents of primary or secondary school students leaving education. Clearly there was little point for them to stop going to school because they were not old enough to work. However, changes amongst the lower level education students occurred in that many students were moved to schools closer to the community in order to minimise transportation costs.

Household case studies: Impact, response and contributory factors

"I heard people talking about the crisis but I don't know what it is. Anyway, it has nothing to do with me. I am only a tricycle taxi rider....The only thing I know is that living my life is much harder." (Interview with Pad, 20 November, 2000).

It was striking for me as someone learning about how people were affected by the economic crisis to hear such comments from Pad, especially when all kinds of media in Thailand incessantly discussed the crisis. In fact, comments like Pad's are exceptional, particularly for someone living in a community like Chomchon Hatanwa which is so heavily dependent on markets. Pad, who is from a poor household (according to the wealth ranking), is the only respondent who claimed no knowledge of the crisis. His comments provoked me to question whether Pad really did not experience the impact or was not aware of the changing economic environment. If Pad did not feel the widespread effects of the crisis, what are the explanations?

As for the case studies in Chapter 5 the final section of this chapter will investigate selected households to reveal the dynamics of the impacts of shocks and the resulting response of individual actors. The aim is also to explore how resources can be utilised by individuals in responding to the shocks. The six case studies were selected to have differing socio-economic backgrounds so that the role of various factors can also be explored. The first case study of Pad is distinctive because of Pad's very low market proximity, and thus the role of this factor will be a primary focus for the first case study. Other factors will additionally be looked at in turn. However, as before, there is no intention to confine the explorations and so important factors and deductions will be highlighted as appropriate.

Market proximity

Pad is a widower and a permanent resident whose only income generating activity is riding a tricycle taxi or 'Sam Lor'. He complained that his tricycle taxi business was doing badly in recent years. These difficulties started during the modernisation of the Thai economy and the beginning of the boom as people's attitude towards public transportation significantly changed. While tricycle taxis are nowadays regarded as too slow, the modernised red truck taxi has become more popular. As a result, the demand for tricycle taxis fell, as did Pad's income. However, he never changed his job regardless of the situation though he admitted considering it. He explained that his limited formal qualifications would prevent him finding a new job opportunity.

His old age was also a significant obstacle, as most casual waged work requires high physical strength. Instead of changing employment, he changed his working practices and now regularly transports goods each day to a fresh food retailer from the wholesaler at 3 o'clock in the morning. This secures Pad an income of at least 40 baht per day (67 pence per day). Through this arrangement, Pad not only obtains a minimum daily income but also cheap or sometimes free food.

Applying the four channels framework, it can be seen that Pad has only marginally been affected by the crisis. Though his tricycle taxi business was not doing well this was not the result of the economic crisis. Moreover input costs for his business were not affected by the crisis as the main input is his own labour. Pad's residency certificate and established house also provided a shelter for him without significant costs. The increase in electricity bills also did not affect him as his house did not have an electricity supply. The fact that Pad's ability in managing his time and the utilisation of his social resource he has with his customers cushion the impact from the shocks. He also exploited the fact that he is poor financially and old as a resource in bargaining for things. For example, he deliberately presented himself as poor to get sympathy from his customers who eventually became his regular customers.

From the discussion of Pad, it can be claimed that he has not been affected by the changes in the economic crisis because he was not involved much in the market, the main mediated mechanism of the effects of shocks. Furthermore, he also utilised his existing resources such as the reproductive physical resource of his house for his sheltering, his productive physical resource of tricycle, his labour and his social resource to secure the jobs and food. His case also suggested that the market proximity does not necessarily correspond to geographical proximity, which in his case was very close, but rather the terms of engagement in the market.

Market proximity and gendered responses

Unlike Pad, an extreme case of a household that depends heavily on the market in all respects is the *Prakarn* and *Yajai* household previously introduced on page 254. This household possesses neither a residency certificate in the community or residential land elsewhere. A small rented single room in the community was shared between the three household members, including their two-year-old daughter. The rent, as well as the

electricity and water charges accounted for more than 60% of the household budget and these costs all increased following the crisis. The remainder of their income was spent on food and other necessary goods, especially milk for their baby. While the price of all these important products were increasing Prakarn, who used to be the only income earner, lost his construction job following his motorbike accident. The immediate response to the loss of income was to sell the motorbike and use the money to pay for hospital expenses and food.

As Prakarn was unable to continue working in the construction industry (partly because of his injuries but also hampered by the decline in demand for construction labour), his wife started working as a barmaid. Working as a barmaid involved accompanying male customers in the night-club. Her wage was paid monthly and tips were also given by individual customers. This work was generally considered to be degrading and of very low status.

Because of the unsociable working hours of Yajai, Prakarn and Yajai negotiated a change in roles within the household. Prakarn now regards himself as a househusband, looking after his baby and cooking and cleaning for the whole household. Yajai on the other hand works for cash income. The response of Yajai to the crisis can be seen as a highly gender specific response in which she used her sexuality in gaining financial income. Although one may claim that this utilisation of her human resource of female sexuality means a degradation or dehumanisation of her status as a woman, it could be contended that she gained from it not only financially but also in terms of the valuation of herself within the household. It was apparent in the Yajai and Prakarn household that Yajai had gained great respect from her husband from doing the bar work. Very often, for example, Prakarn would praise his wife and claim that without her the family could not have survived the crisis. One may contend that Yajai's status may have declined in the eyes of people outside her household by working in this demeaning job. However, the lack of interaction of Yajai and Prakarn's with other residents within the community makes it difficult to see how her status has changed.

When asked about the effect of the crisis, Prakarn explained that there was a significant change in the price of necessary goods such as the price of milk for their daughter, rent and electricity and water charges. He stated that the price of milk had increased drastically and they could not always afford it although he put the purchase of milk as top priority. In response, Prakarn had to further reduced the quantity of food bought for him and his wife

and prioritised the purchase of milk for his daughter. Sometimes, Prakarn had to feed his daughter with dissolved condensed milk, as it is cheaper than formula milk. This could create a negative impact on his child's health. Apart from changing the items bought, Prakarn also claimed that he cut down his personal expenditure on items such as cigarettes and alcohol.

It can be seen from the case of Prakarn and Yajai that their household was negatively affected by the increase in food and necessary goods prices. The poor economic conditions only gave a limited choice for them to choose employment which led to Yajai entering degrading work. With regard to health, Prakarn explained that they did not feel the negative effects on health provisions. He claimed that it may have been more apparent if a member of a household had fallen ill. Prakarn stated that his wife may not have been able to find money to cover the cost of treatment if a serious illness occurred in his family. The fact that they were not eligible for free health care because they had no house registration documents (unlike the poor households in rural areas) put them in a vulnerable position. From these observations, it could be contended that the health of Prakarn's daughter was at risk, as she was fed with condensed milk instead of baby milk. Yajai was also often at work and unable to breast feed her daughter.

Although both the Prakarn and Yajai household and Pad's case studies previously discussed suggest that proximity to the market is an important factor determining the seriousness of the effects of the economic crisis, market proximity does not seem to be the primary factor for the Poom and Pui household.

Terms of market engagement and differentiated impacts

At the time of the interview with *Pui*, *Poom* was 26 and his wife *Pui* was 25 years old. They are temporary residents of Chomchon Hatanwa. Originally, Poom was from Bangkok but he moved to Chiangmai when he was 15 to continue his study at the vocational college, majoring in accounting. He has been renting a room in the community ever since and started work in a publishing house after his graduation. *Pui*, on the other hand, is from Chiangrai. After she finished her secondary school education, she ran away from home to avoid being a farmer, the main livelihood of her parents. She came to Chiangmai with three other friends and found her first ever job as a waitress at a local restaurant. With some ability in speaking English, she was asked to work at the local tour agency and later on she

became a tour guide. Leaving the restaurant meant leaving her provided accommodation. She knew of Chomchon Hatanwa through word of mouth and moved in to a rented room next door to Poom. They have been living together for at least 7 years and now have two daughters aged 7 and 5. After having her first child, Pui stopped working as a tour guide as it required too much time away from home and her child. She now runs a mobile shop selling small goods in local communities.

The Poom and Pui household is ranked as medium wealth by the PRA participants. Although they are temporary residents, the participants seemed to know them well as they have been living in the community for some time. They are ranked as having medium wealth because of their relatively high human resources in terms of education and the fact that Poom has a relatively secure job in the publishing house. Pui's ability to speak English is also highly regarded. Pui's business also secures them a good stream of income. In addition, they also have a number of physical resources such as TV, VDO, mobile phone which are also viewed as status markers.

In terms of their proximity to the market, the Poom and Pui household may appear on the surface as little different to the Prakarn and Yajai households. Both households live in rented accommodation in the community and have to buy all of their necessary goods and food from the local grocery shops and/or market. Also their utility bills are charged by their landlords according to usage. Overall it could be contended that both households have close market proximity.

However, the main difference between these two households is the main income source. Poom and Pui were both economically active. The main household incomes were a fairly constant monthly income from private work by Poom and the profits from the mobile shop of Pui. Poom transferred 85% of his income to Pui at the beginning of each month. Pui was responsible for the household budget management and responsible for all household expenditure.

Because of their close proximity to the market, one might presume a strong negative impact of the crisis on this household. However, when tracing the impact of the crisis through the four channels, it is found that the Poom and Pui household experienced mixed impacts from the crisis. With regard to employment, both Poom and Pui had not changed jobs. In fact, Poom's income had increased since the economic crisis as the publishing company he was

working for had enjoyed increased business. This was because of the closing down of other publishers. Pui, on the other hand, had experienced an adverse impact from the low demand for her products. The cost of production, including petrol prices and the prices of inputs, had soared. As a consequence, profit margins had drastically reduced. This evidence not only suggests that the type of industry one engages in is a deterministic factor in the impacts felt but also that the performance and the economic condition for the employer can also be important.

The price of food and necessary items, however, had increased after the crisis. Although Pui claimed that her husband transferred more money for the household budgeting in order to substitute for the loss of her income, the increase in rent, utility and necessary goods, managing the household budget had become increasingly difficult. Finally, the children still remained in school after the crisis as they were originally sent to free public schools close to the community.

The contrast between the Prakarn and Yajai and the Poom and Pui households in terms of the mixed impacts despite the common dependence on both the production and consumption markets can be attributed to two main factors. Firstly, the position of Poom in the employment market where he is engaged in the private sector meant his job was fairly secure. Moreover, the company for which he worked performed well during the crisis. Therefore, his income had actually increased, partly as a direct result of the crisis. Secondly, the job security which Poom enjoyed can be explained by his level of formal education, which may be considered an important aspect of his resource portfolio. Poom has a B.Tech qualification which increased the options for employment and enabled him to find employment in the publishing company.

Intra-household division of labour and gendered responses

As briefly discussed on page 253, the *Suriya* and *Rampueng* household is a permanent household that is ranked as medium wealthy. They have been affected by the economic crisis in a highly negatively way. This is because of their close proximity to the market especially and engagement in a sector and industry that was not doing well during the crisis. Their main livelihoods were the red truck taxi business of Suriya and Rampueng's grocery shop. Both of these businesses were heavily hit by the crisis.

Suriya explained that his business was doing badly for two main reasons. Firstly, because of the crisis, people tried to be more economical by using taxis only when absolutely necessary. Secondly, many people who were laid off found they could easily enter the taxi driver business and so the competition for business rose dramatically. The ultimate impact on Suriya was a decrease in demand for his taxi and a reduction in income. Rampueng, on the other hand, claimed that the profit for the grocery shop declined significantly because people's purchasing power decreased. Moreover, business input costs, including transportation and product prices, had increased.

With regard to household expenditure, Rampueng stated that although the price of necessary goods increased, they had only been slightly affected because they ran a grocery shop themselves. That is to say that they could buy relatively cheap goods from the wholesaler, while pushing on the costs of price increases to their customers. Rampueng also claimed that if they did not earn enough in a day, they could still survive by using food stock from their shop. Also, Suriya and Rampueng didn't pay rent because they owned their home. However, the cost of running the house had increased. In response to this decline in real income, Rampueng, the main household budget manager and welfare provider of the household, changed her food purchasing and cooking pattern so that she cooked only once a day, usually in the morning, and cooked only two dishes with rice instead of three. She told me that sometimes, Suriya complained about the food having little portions, no meat or not being fresh. Rampueng claimed that she was often blamed for spending too much money. To avoid such complaints she sometimes subsided her needs and put aside more money to buy and cook differently for her husband whilst she often ate the left overs from her husband's meal.

With regard to health service, Rampueng stated that they had not been affected, because as community leaders they were eligible for a free health care card. She claimed that she and her husband went to hospital when they needed treatment. However, on one occasion Rampueng was observed holding her mouth and complaining about toothache. On being asked why she did not go to see the dentist. She replied

"I don't want to waste money on transportation to go to see the dentist. If Suriya goes with me, we will both lose our income. Going there [public dental hospital] means that I have to waste a whole day waiting. If I go to the dentist, who is going to look after the shop? But to pull my tooth out in the private dentist will cost me about 120 baht." (Semi-structured interview with Rampueng, October, 2000)

Instead of going to see the dentist, Rampueng ground up pain killer tablets sold in her shop and applied the powder to the tooth. A week later I found out that she had been to see the dentist to have the tooth filled. This event suggested that although the household was eligible for free health care, that did not mean that the household would use the free service. Receiving free health care may imply costs of a loss in opportunity. To receive attention at the public clinic meant waiting a very long time for treatment. From Rampueng's case study it seems that she changed her health care behaviour to avoid costs and used self-medication, which appeared to be the cheapest.

Upon asking what Rampueng's husband would do if he has the same problem of toothache, Rampueng replied

*"He would probably go to the dentist on the first day. If he has a toothache, he would not have the concentration to drive. As he is always out driving, he can easily stop by the hospital anytime and use his money earned to pay for it. You know! It is not just my husband, but I think most men do not really have much patience."
(Semi-structured interview with Rampueng, October, 2000)*

These two quotes indicate that Rampueng's responses to an increase in the price of food and necessities, the harsh economic conditions and the shortage of money involved forfeiting her own needs to maintain the welfare of other household members. This included eating less and trying to save money and time by not going to the dentist. In some ways, this could be interpreted as a utilisation of her human resources in that her health was sacrificed in order to support the welfare of her husband. It could also be contended that Rampueng was driven to do so because of her role as household welfare provider.

Let us now return to the case study of the *Mae Paeng* household, the single headed household containing a mother and two sons (aged 21 and 17) and explore how they survived the crisis. Mae Paeng (aged 48) and her sons had been financially supported by her ex-husband since their divorce some 10 years ago. Mae Paeng is a daughter of Bhoo Peng, the village headman and had been living in Chomchon Hatanwa for most of her life. She was encouraged to study until she had a high school certificate. According to the wealth ranking, her household was ranked as medium because of her education and the enthusiastic community work she had undertaken in fighting for their rights of land. She was highly respected within the community but was not ranked rich because of her shortage in other physical and financial resources. Most of the transfer of financial income from her husband was spent mainly on her children's education and food.

On asking Mae Paeng about the economic crisis, she told of facing highly negative impacts from the crisis. Although she had not been affected by changes in employment, the increase in the prices of necessary goods and services such as food, transportation, education fees for her sons, electricity and water bills directly affected her. Mae Paeng explained that the limited fixed income from her husband was not sufficient to cover all the increased expenses. As a consequence, she was forced to look for extra income to support her family and prioritise the need for her children to stay in education.

After I left the community in January 2001, Mae Paeng started working as an accountant for a car insurance company, a job she found through a relative. Upon asking how she managed to get this job when the job market was highly competitive, she explained that she told the owner of the company that she was a single mother and faced a difficult situation in raising her two sons. This example shows how Mae Paeng used her identity as a single mother in calling for sympathy and obtaining further financial resources. Her social resource and her human resource can also be seen to play a role in securing her new job.

Although Mae Paeng encountered financial difficulties, she refused to withdraw her children from school. Instead, she asked for student loans for her children, which were provided through the Social Investment Programmes (SIP) of the WB (World Bank, 1999; ADB, 2000) and channelled through the community committee. As Mae Paeng was active in community work, she easily obtained the credits because of her good relation with other community members.

With regard to health, Mae Paeng claimed that she could not afford to pay her health insurance premiums any longer. She was prepared to take the risk. As Mae Paeng is on the community committee, she is eligible for the free health care scheme anyway. In that respect, she was prepared to change back from private sector to public sector treatment.

Resource utilisation and wealth status

It should be noted that the impacts from the crisis and the ESAPs are not always negative. The *Arthit* and *Jitra*'s household was the least affected by the crisis among the six case studies and in some ways they gained during the crisis. While *Arthit* worked as a public employee (policeman), *Jitra* worked for a private company (accountant). Their incomes increased after the crisis in line with the inflation rate. Moreover, they had supplementary income from renting out rooms, which helped their financial position during the crisis.

Although electricity and water bills increased, these costs were passed on to tenants. The pushing up of costs on the utility bills to the tenants was only allowed to happen, I contend because of the unequal bargaining power of the two parties.

Although Jitra, the household budget manager, claimed a negative impact from the increase in food and other necessary goods prices, she was able to increase her expenditure in response. Unlike the other households mentioned, Jitra always purchased the same quantity of food. She still cooked two meals a day with more or less the same amount of meat content. However, she claimed that she had to cut down on seafood because it became drastically more expensive.

With regard to health care, Jitra and Arthit were both eligible for free public health care as Arthit is a civil servant. However, they hardly used this service as they preferred to buy private health insurance. With regard to the education of their son, he remained in a private school despite the increases in school bus fees and school fees among other related expenses.

For the Jitra and Arthit household, it may be contended that their experiences of the impacts of the crisis were cushioned by their rich human resources, which helped them to obtain secure and respected work. This work provided them with a secure income (following the inflation rate) as well as fringe benefits of health care and education. Their financial resource stock and the residential certificate also provided them with the opportunity to diversify their livelihoods into rent out dormitories, which brought extra income for their household.

Summary of case studies

The analysis and findings of the six cases suggest that the severity of the impact of the economic crisis was chiefly determined by the proximity of each household to the market. That is to say that the households that were highly dependent on markets of either production or consumption were likely to be the most affected. Pad's household for example, experienced marginal impacts whereas the Prakarn household faced a severe impact from the crisis. Furthermore, the position of the household in the market played a significant role in determining whether the household gained or lost.

It is also clear from the case studies that all the households were negatively affected by the increase in food and necessary goods prices as well as utility bills. This is because all the households depended heavily on these markets. However, different households felt different impacts depending on the relationship and bargaining position of the household food provider with the food market. Unlike the rural community, the urban setting constrained residents from growing edible fruits, vegetable or keeping livestock.

The case studies also show strong evidence of a differing impact across different generations. The older generations often placed the highest priority on food and welfare, including the education of their offspring. In response to the increased price of necessary products, household budget managers, who were mostly women, often adjusted their spending patterns. The most common adjustment was to place food and necessary items, as well as education, as top priority. Education was included as it is highly regarded as an investment to gain better job opportunities and quality of life for children. Both the Mae Paeng and Prakarn case studies are examples of how household budget managers adjusted the expenditure priorities.

With regard to gender, there is no evidence in the case studies that gender played a significant role in the differentiation of impacts on employment, income, or health and education. However, the negative impact on increases in prices or household expenditure appears to be borne by household budget managers who are mostly women, though Prakarn's case was an interesting exception. The household budget managers have also had to readjust their pattern of food usage and cooking behaviour. The most common strategies are substituting meat with vegetables, cooking once a day to save gas and time and cooking fewer dishes.

In general there was some gender-differentiation in the response to the crisis in Chomchon Hatanwa. Women, or those having a role of household budget managers, tended to mobilise or diversify the usage of financial resource in response to the price changes. This is mainly because of their division of labour and responsibility on a gender basis. In case of the Yajai and Prakarn household, Yajai used her female sexuality in obtaining work and financial resources in trying to cushion the negative impact of the shocks.

Finally, it should be noted that not all households were negatively affected or had the same ability to respond to the crisis. Households that gained from the crisis were mostly rich

households with close market proximity. Their rich resource profile and resource diversification gave them opportunities to take advantage of changing economic conditions as well as cushion the impacts. For example, in the case studies the Arthit and Jitra household utilised their financial resources by investing in the construction of accommodation in order to gain more financial returns from rental.

Conclusion

The chapter has described the establishment of the slum area of the Chomchon Hatanwa community which was driven by the rural-urban migration of farmers attempting to escape poverty. It was also shown that the consistent conflict over land rights created some sense of insecurity within the community. Living in a confined space and the general lack of natural resources made it impossible for the residents to make use of land for other reproductive production such as growing crops and keeping livestock for consumption in the way that the residents in the peri-urban village Ban Wangmoon could. Land was only used for residential purposes and for some households as a productive resource through the renting out of accommodation.

Chomchon Hatanwa is a slum community containing two types of residents: permanent and temporary residents. While permanent residents are relatively rich in resources, including physical, human (education), and social resources, the temporary residents tend to have limited resources. With these limited resources, they are vulnerable to impacts from economic changes. The study has indicated that market proximity especially with regard to the labour market has mediated impacts on the residents. The close overall proximity to the market of this community can be argued to have created opportunities for some and constraints for others. This positive or negative impact felt by the individual is, to a certain degree, dependent on the economic condition in which one is located. During the economic boom, it was apparent that both men and women casual waged workers enjoyed the benefits of economic development and new economic opportunities especially the drastic increase in demand for casual waged workers, the consistency of the demand for casual labour and the competitiveness in wages within the casual labour market itself. However, as the economic crisis erupted in Thailand, the evidence suggests that the people who had enjoyed these benefits from the boom were also the severely affected group. This is mainly because the

sectors where these casual waged workers were engaging in relied heavily on the viable financial market.

Apart from the market proximity and the economic conditions, it was also found that the impacts felt by individuals could be correlated with the type of industry in which they were employed. The study found that those engaged in the construction and emerging service industries, including tourism and department stores were very likely to be negatively affected by the shocks. Moreover, the casual waged workers in those industries in particular were in vulnerable positions as their resource portfolios were usually very limited. They usually had poor human resources, in terms of formal education, and low physical and social resources. These limited resources also constrained their choice of survival strategies. In contrast, those who worked in the public sector were well cushioned by the government policy of maintaining a certain degree of welfare for public sector workers, while those who worked in the private sector experienced diverse impacts. These impacts were highly dependent upon which sector the worker engaged in.

The real income level stagnated or decreased in the majority of the households. This stagnation of income in Chomchon Hatanwa was due to the loss of income not only of male but also female workers. Although both men and women felt the negative impact from job loss or loss of income, it was found that the referred impacts were greatly felt by women and children. This is because the majority of the households have women as household budget managers. In times of reduced income this responsibility and the gender division of labour meant women had to bear the problem and stress of managing less income.

The tensions caused by decreases in income were accentuated by the increase in prices in general. Many new strategies were employed by households in response to these changes, including selling or pawning luxury items such as motorcycles purchased during the boom. Adjustments to shopping behaviour and the types of items bought were also commonplace. These changes also had transferred impacts for individuals within the households. That is to say that household members other than the household budget manager were likely to feel negative effects. How severely these other members experienced these effects depended on the household structure and intra-household bargaining power as well as the success of the household budget manager in coping. It is apparent that many women, as household budget managers, passed on the financial tensions to their husbands if they had a high bargaining power within the household, usually resulting in an increase in income contribution from

the husband to the household budget. In many cases, women tended to subsidize their needs to fulfill their role in maintaining the household welfare.

The impact of the crisis on health and education conditions was not obvious and in most cases the residents could not see any relation between the two. However, on asking less direct questions, it was found that the attitude towards health service usage had changed. Health insurance premiums had not been renewed in many households for financial reasons. Changing from private health care to public health care was an alternative for many households. With regard to education, the withdrawal of students was found at higher levels but with no specific gender discrimination. In some cases, students were moved from expensive private schools to cheaper or free public schools.

Overall, it can be concluded that in some cases Chomchon Hatanwa residents experienced benefits from the economic crisis but at the same time many encountered severe negative impacts. These severe impacts can be explained by the close market proximity of the community in general. However, the degree of impact was felt differently by individuals and determined by the levels of resources and resource diversification. These resource characteristics also determined the survival strategies adopted. Both physical resources and quality human resources helped to broaden the possible range of strategies that could be used in responding to the crisis. Social resources also helped in accumulating other resources and gaining opportunities that could be used to survive the deteriorating economic situation. Both women and men felt the impact of loss of employment and income. However, due to the existing gender division of labour and division of responsibility it is fair to point out that women bore the greatest problems and associated tension in trying to maintain household welfare and status during decreases in income and increases in prices. It is also considered that the impact of the crisis and individual hardships were commonly transferred to other household members, from women to men and children. The degree to which this transfer of impact occurred was determined by household arrangements and intra-household bargaining power.

CHAPTER 7

Comparative study of the socio-economic impacts of and responses to the shocks in Chomchon Hatanwa and Ban Wangmoon

Introduction

This thesis has presented the impacts of shocks and responses of Thai people at two different levels; the macro level impacts on a national scale and the micro level impacts on individual actors in two selected communities. The macro level analysis of the shocks in Thailand was undertaken following the four channel impact framework. The findings of the impact assessment in the areas of employment, income, expenditure and health and education conditions were presented in Chapter 3. From these findings it was apparent that the shocks involved an overall worsening of the situation for people in all aspects considered, though the impact on individuals varied.

The micro level studies of the impacts on households/individuals and their responses focused on the analysis of empirical data gathered in two selected field sites of a peri-urban and urban slum community in Northern Thailand. The findings, which were presented in the previous two chapters, compared impacts and responses that occurred within each community. A number of contributing factors that played a role in determining the differentiated impacts on and responses of households were identified. Some specific case studies were also examined to enhance the understanding of the shock and response process and explore the roles of the factors identified.

This current chapter has two main objectives. Firstly, it draws on the micro findings previously discussed in Chapters 5 and 6 in order to undertake a wider comparison of the impacts/responses of the individuals investigated in the field work. The aim is to identify the similarities and differences in the impacts and response strategies that the residents in each community experienced or employed. Secondly, the chapter will discuss the possible

explanations for these similarities and differences. Two of the three previously identified factors will first be explored, namely the role of market proximity and resource portfolio/wealth status, in relation to how they influenced the impacts and responses of individual actors.

The gender aspects of this study also deserve further discussion. As briefly mentioned in Chapter 4, there was great difficulty in exploring the role that gender played in how the crises affected individuals. Hence, a large part of this chapter will address this point. It will offer findings based on the villagers' self perception with regards to the gender differentiated impact. It will then draw on the evidence of the gender-differentiated impacts and responses gathered in the two communities. With this evidence, it will be argued that gender is indeed a factor in determining differentiated impacts of shocks and responses of individuals in general. The remainder of the section on gender offers some explanations for why there were difficulties in doing gender research in the two communities. It also explains how some alternative research techniques were employed in an attempt to circumvent these problems and obtain useful gender-related information.

The chapter is divided into five sections. Following an introduction is a discussion of the villagers' perceptions of the economic crisis and the ESAPs. The impacts felt by the two communities are then compared, traced particularly through the four channels frameworks together with the discussion of the response strategies employed in both communities. Section three focuses on further discussion of factors that will be argued to create differentiated impacts and responses. Section four's main discussion is based around the gender issue. This covers the villagers' perception of the gender-differentiated impacts. Some gendered impacts and responses will be traced and it will be explained how gender plays a role in generating this differentiation. The remaining section discusses the obstacles to tackling gender issues in this research. The chapter ends with a summary of the main points described.

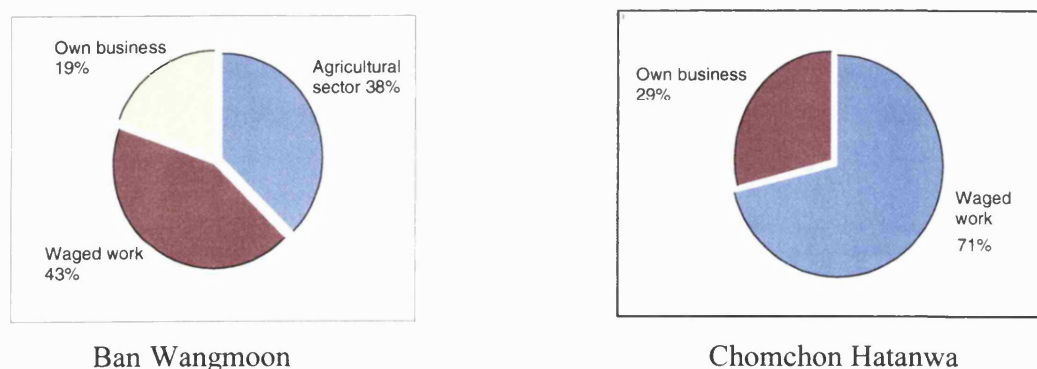
What does the “economic crisis” mean to the villagers?

On asking Chomchon Hatanwa and Ban Wangmoon villagers whether they had heard of the economic crisis, almost 100% of respondents said that they had heard about the economic crisis, referred to in Northern Thai dialect as “settakit bordee” or bad economy. When asked “What is the economic crisis?”, the answers provided by villagers from

different communities were in many ways similar. The villagers in both peri-urban and urban slum communities generally described the crisis as “...the situation in which the economy is doing badly and things are getting more expensive”. The peri-urban villagers, however, tended to emphasise the effect of the crisis on the demand for casual waged work as well as farm produce prices and farm input costs. During the crisis, they claimed that the demand for casual waged work, especially in the construction industry, decreased, hence liquidity problems within the village were apparent. Though farm produce prices increased, the farm input costs also increased. The urban community residents, on the other hand, more often related the crisis to the reduction in trade profits and an increase in living costs, including petrol, food and other necessity prices. They also related the increase in prices to high nationwide inflation subsequent to the crisis. Discussions of government policy failures as a cause of the crisis and the government responses to the crisis sometimes arose during interviews with urban residents.

The different definitions of the economic crisis provided by villagers from peri-urban and urban areas, I would argue, can be explained by the differences in their socio-economic settings and their lives in relation to the mediating institutions of the crisis i.e. market and government provisions. For Ban Wangmoon villagers, for example, the main income was from agricultural and waged work, accounting for almost 80% of the total active labour force as shown in Fig. 7.1. Hence, it is unsurprising that they refer to the crisis in relation to their main economic activities. In Chomchon Hatanwa, on the other hand, the majority of main paid income was derived from waged work, accounting for 71% of employment. Hence, their impact can be observed in relation to the changes in employment and wages.

Figure 7.1: Income generating activities of villagers residing in Ban Wangmoon and Chomchon Hatanwa classified by source of income



It should be noted that although there was a tendency for people within the same community or setting to describe the crisis in a similar way, the crisis definitions given by individuals often emphasised the range of impacts and severities felt. For example, the urban tricycle rider Pad (previously discussed in Chapter 6) claimed to have experienced no changes in his life due to the economic crisis whilst Prakarn, a male temporary resident, said that his household was severely affected by an increase in living costs, especially when the demand for construction workers was low. In Ban Wangmoon, the elderly woman Oui Ma also claimed to have felt no impact from the changes in economic conditions. As described in Chapter 5, she argued that she was not affected because she did not work for cash and she did not have any expenditure. Ampa, in contrast, a married female casual waged worker with twin sons, claimed that she and her household were adversely affected by the crisis due to the reduction in casual employment for both her husband and herself. The prices of necessities were pushed up which also diminished the quantity of consumables she could afford.

The comparative study of impacts in Chomchon Hatanwa and Ban Wangmoon: the four aspects

Employment

The significant findings are:

1. No significant changes in unemployment were found in either community

From the household survey involving 115 interviewees in Ban Wangmoon (42 male and 73 female) and 127 in Chomchon Hatanwa (65 male and 62 female), it was shown that unemployment rates had not significantly changed since the crisis. In Ban Wangmoon, the unemployment rate before and after the crisis was low at 1.7% whilst the unemployment rate in Chomchon Hatanwa increased from 4.3% to 4.9%. These low statistical unemployment figures in the communities were in contradiction to any expected impacts of the economic crisis. In theory, unemployment rates are highly prone to increases subsequent to economic turmoil, yet no significant increase in unemployment rates occurred.

These findings can be partly explained by the fact that in both villages, as well as other parts of Thailand, workers cannot afford to be without work for extended periods of time because there is no social support for the unemployed. This meant no subsidies for income, rent, health care or any other fringe benefits for unemployed persons. This lack of unemployment benefit means that workers have to find any way they can to generate income or carry out non-marketised production for their own survival. How easily individuals can find work or carry out other income generating activities has to be viewed as a separate issue. In both sites, the ability to respond to losing a job was found to closely depend on individual resource portfolios i.e. education, special skills, social connections, physical resources, availability of financial and natural resources. The way these resources could be utilised varied between individual actors and was constrained by the type, quantity and quality of resources as well as the ability to mobilise or diversify resources at a desired time. This point will be discussed later.

The surprisingly low unemployment found in both communities, I would argue owes a lot to the fact that labour and the embedded human resources of villagers are used flexibly and adaptively to changes in economic conditions. In illustration, when Tai, a middle aged urban woman, was laid off from a real estate company she utilised her sewing skills to produce soft toy key rings for sale while seeking alternative employment. The unemployment rate in Ban Wangmoon in particular has always been low because of the large number of workers engaged in the casual waged sector and self-managed farm production, both requiring flexibility from workers. Workers expect fluctuations and a periodic reduction in the demand for labour. And even when this occurs, it is not necessarily reflected by a change in the unemployment rate.

However, the impact of the crisis, in both communities, is clearly evident through the prevalence of underemployment. Underemployment is typified by the case of Somnuek, a rural male construction worker who undertook occasional waged work of a more general nature while waiting for further construction work. Despite looking for more/better work, higher job rank, he would never consider himself as being unemployed.

Comparing the unemployment rate of the two sites before and after the shocks, it is found that an increase in unemployment rate occurred only in Chomchon Hatanwa. The higher level of unemployment in Chomchon Hatanwa and the increase subsequent to the crisis can be explained by the fact that the sectors and industries in which the labourers were

engaged were different. It can be further argued that the sectors/industries in which urban workers are engaged are generally less flexible in terms of accommodating labour. Most urban workers are highly dependent on and closely engaged in the formal labour market. The inflexible nature of this employment and the high market dependency of workers explain why, in terms of employment, individuals in Chomchon Hatanwa were more affected by changes in economic conditions.

Finally, the unemployment figures for Chomchon Hatanwa do not account for the fact that harsh economic conditions caused a significant number of reverse migrations among the temporary residents, both prior to and during the course of the field research. Clearly those workers who lost jobs and subsequently left the community were not included in the statistics. In fact, during the 3 months while the household survey was undertaken, 12 new households moved into the community and 6 moved out. This high mobility of the residents in Chomchon Hatanwa may conceal the most severe impacts of the crisis on the temporary residents.

As previously suggested, the low unemployment rates do not reveal all negative impacts on employment of the economic downturn. This is because the lack of a social security system means individuals cannot survive without a job of some sort. Also, the labour force within these communities shows a capacity for flexible working. To make a more thorough assessment of the impacts of the economic changes on employment an examination of patterns of shifting employment is also required.

2. Higher number of employment changes were found in the urban slum community: Chomchon Hatanwa

Enumerating the changes of employment reveals that there were four times as many cases of changes in employment in Chomchon Hatanwa than in Ban Wangmoon. It should be also noted that this figure does not include the changes of employment of those who migrated from the community, which if included would have produced a higher figure. As shown in Table 7.1, almost 70% of all employed persons in Chomchon Hatanwa reported having changed employment compared to only 15% of employed persons in Ban Wangmoon.

Table 7.1: The changes in employment classified by sex and industries before change of job: Chomchon Hatanwa and Ban Wangmoon

Type of work	Chomchon Hatanwa			Ban Wangmoon		
	Total (%)	Male (%)	Female (%)	Total (%)	Male (%)	Female (%)
Own business	55 (33)	28 (34)	27 (33)	7 (18)	4 (22)	3 (14)
- trading	7	5	2	0	0	0
- food related business	14	2	12	1	1	0
- sub-contracting	3	3	0	0	0	0
- others	6	3	3	1	1	0
- farming	25	15	10	5	2	3
Casual	7 (4)	5 (6)	2 (2)	12 (31)	7 (39)	5 (24)
Private	69 (42)	30 (37)	39 (47)	10 (26)	4 (22)	6 (29)
Public	5 (3)	4 (5)	1 (1)	1 (3)	1 (6)	0 (0)
Others	29 (3)	15 (18)	14 (17)	9 (23)	2 (11)	7 (33)
- Unemployed	6	4	2	0	0	0
- Students	20	11	9	9	2	7
- Housewife	3	0	3	0	0	0
Total job changes	165	82	83	39	18	21
	(100)	(100)	(100)	(100)	(100)	(100)
Total employed persons	239	124	115	258	144	114
Percentage	69.0	66.1	72.2	15.1	12.5	18.4

There are two main explanations for the higher numbers for change in employment in Chomchon Hatanwa. Firstly, as previously mentioned, the livelihoods of Chomchon Hatanwa residents are highly dependent on the markets of labour, products and inputs. The close proximity to these markets created job opportunities for many Chomchon Hatanwa residents during the boom. However, arguably many of these employments were unsustainable and vulnerable to changes in economic climate. The devaluation of the Thai baht affected numerous businesses and industries and particularly the tourism, service, transportation and commerce industries, which employed the majority of Chomchon Hatanwa residents.

Secondly, the labour market in Chomchon Hatanwa can be argued to be more rigid whilst the labour market in Ban Wangmoon appears to be more flexible i.e. the most dominant sectors of employment in Ban Wangmoon are casual waged work and farming. Although the collapse of the construction sector created a severe negative impact on the demand for construction labourers, Ban Wangmoon construction workers were able to remain in the village and generate income through casual farm work while awaiting construction work.

Thus, the impact on employment in Ban Wangmoon was not shown by a reduction in employment but increases in various forms of underemployment.

However, it should be noted that changing employment cannot always be interpreted as a negative impact of the shocks. For many villagers in both communities, changing employment at a desired time in a desired way can be seen to be beneficial. Ruang's change in his pattern of farm production, for example, can be seen as a change in production that took advantage of an increase in produce prices following the devaluation of the Thai baht. In this case, the change in farming strategy of Ruang can be seen as a positive one that exploited the effects of the shocks. Cases like this support the argument posed by Ellis (1999) that, unlike forced diversification voluntarily diversification of resource utilisation tend to have positive outcomes.

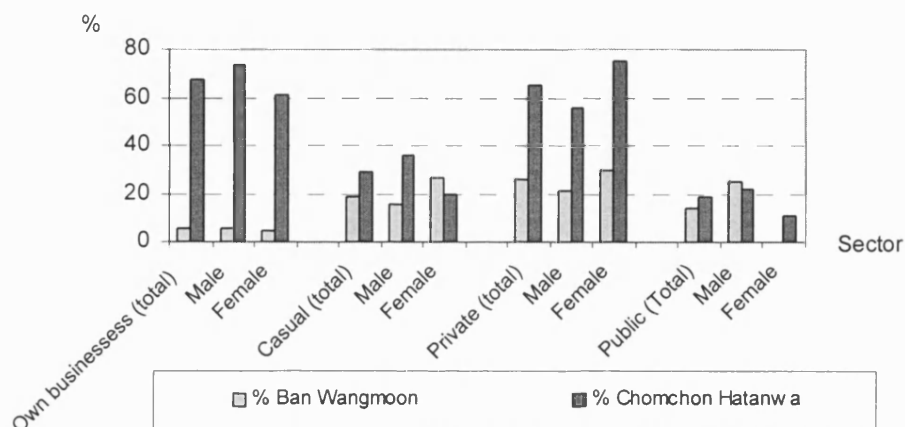
3. The frequency of employment changes was determined by employment distribution between different sectors

The survey found that the rate of change in employment was markedly different between different sectors of employment. The data indicates that those with self-owned businesses and in private sector employment most frequently claimed changes in job whilst the public sector and casual waged workers rarely changed jobs. The government protection measures for existing employees explain why only a small proportion of public sector workers changed jobs. These measures, as previously described, included wage increases in line with inflation and the voluntary redundancy of public sector workers (and early retirement). As shown in Fig. 7.2, only 14.3% and 18.5% of total public sector workers in Ban Wangmoon and Chomchon Hatanwa respectively reported changing jobs. These public sector workers claimed to have changed job due to health reasons or due to the termination of a temporary contract (temporary job creation programmes).

The figures for casual waged workers (Fig. 7.2) also reveal that a small proportion (20% and 30% in Ban Wangmoon and Chomchon Hatanwa respectively) of people changed jobs. However, for these workers the statistics do not imply a light impact on their employment. In fact, the sector was highly negatively affected especially by the reduction in demand for casual waged work in the construction industry. However, the small proportion of people reporting changes in job was due to the fact that the workers within the sector were highly mobile and flexible. A reduction in the level of employment in this sector does not

necessarily imply increased job losses but rather an increase in underemployed. When comparing the impact of the crisis on the changes in casual waged jobs, it is found that there was a slightly higher proportion of people changing jobs in Chomchon Hatanwa than in Ban Wangmoon. The fact that a higher proportion of female than male casual waged workers changed jobs in Ban Wangmoon can also be explained by the fact that many were pushed out of work by ex-male construction workers returning to work in the village.

Figure 7.2: Proportion of people changing job in each sector classified by sex



An extremely high proportion of people who engaged in self-owned businesses reported changing jobs in Chomchon Hatanwa, where approximately 67% changed jobs. A higher proportion of males than females made such claims. In contrast, the rate of job changes for business owners in Ban Wangmoon, who were mostly farmers, was extremely small. This is partly due to the fact that the self-owned businesses in Chomchon Hatanwa were mostly prepared food traders and taxi businesses, which were regarded as one of the easiest types of business to get started in. They therefore formed an important part of many people's survival strategies. Following the sudden changes in economic conditions, an increasing number of people who lost their jobs entered the self-owned business sector. As a consequence, overcrowding negatively affected those who were already engaged in these types of business. Many established businesses suffered even more as a result and owners had to change their trade in an attempt to restore profit levels.

In Ban Wangmoon, changes of jobs in the self-owned business sector (7%) were much less frequent than in Chomchon Hatanwa (68%) because most businesses in rural areas are based on farm production. As previously mentioned, the agricultural sector did relatively

well during the period of concern and the prices of some produce gained appreciably from the devaluation. Although not all people received financial benefits from the increase in cash crop prices, most farm owners and workers remained in the industry because (i) there was no better suited job available, considering their human resources and the economic conditions, (ii) the production of crops guaranteed their annual food intake.

Besides self-owned businesses, a very high proportion of people engaged in the private sector also reported a job change. More than 60% and 20% of people engaging in the sector in Chomchon Hatanwa and Ban Wangmoon respectively made such claims. The statistics are particularly high for Chomchon Hatanwa as the majority of workers engaged in this sector prior to the crisis were employed in industries that were hit hard by the crisis. These included the tourism (hotel) industry, sales and commerce. In fact, the negative effects on these industries also contributed to some job changes in Ban Wangmoon. However, because fewer people were engaged in this sector in Ban Wangmoon, the impacts are not so apparent.

Although many workers in Chomchon Hatanwa, especially those working in private sectors, reported being negatively affected by the crisis, in some ways the community was in a better position to respond to the improving markets as the economy recovered. Many residents have some form of formal education regarded as valuable human resources and this gave them access to new job opportunities, particularly in new businesses funded by foreign investors such as supermarkets and discount stores. Numerous Chomchon Hatanwa villagers reported taking on this type of work compared with only a limited number of Ban Wangmoon villagers, who mostly have low educational attainment.

Income

The significant findings are:

1. A greater decline in household nominal incomes occurred in Ban Wangmoon

The household surveys on the changes in income in both communities showed that the average income declined following the crisis. In contrast, during the boom household incomes rose consistently. As shown in Table 7.2, the average decline in household income in Ban Wangmoon was 5.4%, slightly more than the decline of 4.7% in Chomchon

Hatanwa. The majority of households residing in Chomchon Hatanwa (66.9%) and Ban Wangmoon (67.8%) experienced unchanging or declining income during the economic crisis, caused primarily by pay freezes, declines in trade profit, changes in employment or total loss of income. Those reporting an increase in household income generally enjoyed a much more accelerated increase prior to the crisis.

The slightly higher decline in income in the rural area can be attributed to the substantial number of rural male workers engaged in the construction industry. The decline in demand for construction labourers inevitably affected the income stream for many rural households. Also, because the urban community comprises a high proportion of temporary residents, it is likely that those who remained in the community were not as severely negatively affected by the crisis as those who left. Those who were hit hardest were unable to survive in the community and therefore forced to migrate back to their original homes. The severity of the impact on income would certainly be much higher if reverse migrants were included in the statistics. Finally, the geographical location of Chomchon Hatanwa gives wider access to a range of job opportunities. The mobilisation of additional labour in the form of part time work also helped to maintain household income levels. For example, Yui, a female student aged 17 started working as a part time cultural centre receptionist in 1998 to earn extra income for pocket money and books for her university degree.

Table 7.2: Change in average annual household nominal income between 1997 and 2000

Changes in income	Chomchon Hatanwa		Ban Wangmoon	
	Households	Av. Income changes	Households	Av. Changes (%)
Decrease	45 (35.43%)	-22.6%	39 (33.91%)	-18.9%
Constant	40 (31.50%)	0%	39 (33.91%)	0%
Increase	42 (33.07%)	9.9%	37 (32.17%)	3.3%
Total	127 (100%)	-4.72%	115 (100%)	-5.4%

Source: Household survey in Ban Wangmoon and Chomchon Hatanwa, 2000

2. Changes in household income were related to employment by industry and sector

Similar to changes in employment, analysing the changes in income according to the employment sector shows that some sectors and industries were more negatively affected than others. This is confirmed by data collected from both communities, as shown in Table

7.3. The households with their main income from public sector work (16 and 5 reported cases of an increase or constant income) appeared to be least adversely affected by the economic conditions. In fact, the public sector income increased slightly following the crisis, due to the government policy of increasing income in line with the inflation rate in order to minimise adverse impacts. Those households relying on casual waged and private work were most frequently affected, while the experiences of those households with their main income from self-owned businesses varied. Though the majority of households running businesses experienced a contraction in income, some household incomes increased.

There are two main factors determining the changes in self-owned business income. Firstly, the type of industry in which the business operated determined the likely impact. It was found that farm production experienced some positive effect from the devaluation in terms of an increase in farm produce prices. Income from street food retail businesses, on the other hand, generally contracted because of the reduction in demand for prepared food and increasing competition from new businesses. Secondly, the level of impact on households does not depend on the type of industry alone but is also determined by the resource portfolio of the household/individual running the businesses. It was clear that in farm production, only rich households were able to successfully exploit the increase in produce prices as they were equipped with resources of finance, market information and social connections with local traders. This resource portfolio diversification meant that the rich could quickly respond to the changes in prices of produce and take advantage of the increase in produce prices while the poor struggled to do likewise.

Table 7.3: Changes in income (1997-2000) classified by type of household main livelihood: Chomchon Hatanwa and Ban Wangmoon

Changes in income	Chomchon Hatanwa		Ban Wangmoon	
	No. of Households	Household livelihood	No. of Households	Household livelihood
Decrease	45	Casual	39	Casual
		Private		Private
		Public		Public
		Own business		Own business
Constant	40	Casual	39	Casual
		Private		Private
		Public		Public
		Own business		Own business
Increase	42	Casual	37	Casual
		Private		Private
		Public		Public
		Own business		Own business
Total	127 (100%)		115 (100%)	

Expenditure

The significant findings are:

1. A bigger increase in household expenditures occurred in Chomchon Hatanwa

From the household survey it was found that the general trend of average household expenditure involved an increase during the economic crisis and the ESAPs in both communities. As shown in Table 7.4, the annual household expenditure in Chomchon Hatanwa increased by 7.6% on average, approximately 4% higher than for households in Ban Wangmoon, between 1997 and 2000. The majority of households in both communities increased their expenditure. This included 60% of households in Chomchon Hatanwa and 82% in Ban Wangmoon. This increase in expenditure was claimed to be a result of an increase in prices of products and goods. As previously explained, these price increases were caused to varying degrees by an increase in VAT (from 7 to 10%), a removal of subsidies for state enterprise utility providers, the devaluation of the Thai baht, a credit squeeze and an increase in interest rates.

**Table 7.4: Changes in household average annual expenditure between 1997 and 2000:
Ban Wangmoon and Chomchon Hatanwa**

Changes in household expenditure	Ban Wangmoon		Chomchon Hatanwa	
	Number of households	%	Number of households	%
Increase in household expenditure	95 (82.6)	5.4	75 (59.1)	14.3
Decrease in household expenditure	12 (10.4)	-7.1	7 (5.5)	-15.0
Constant household expenditure	8 (6.9)	0	45 (35.4)	0
Total	115	3.7	127	7.6

Household expenditure was classified into four categories of inputs for production, consumable goods, petrol, and utilities and household representatives were asked how they were affected by expense changes in each category. Table 7.5 reveals that the vast majority of respondents in Ban Wangmoon (94%) and Chomchon Hatanwa (88%) claimed that they were negatively affected by an increase in the price of consumable goods. This finding is not so surprising considering that most consumable goods are household necessities. The increases in food and consumable goods prices as a result of the higher production costs and VAT inevitably affected households. An increase in utility charges also negatively affected households in both communities, although a higher percentage of respondents in Ban Wangmoon (81%) made such a claim than in Chomchon Hatanwa (63%). This was partly because although the increase in the utility bills was universal, urban residents and especially the temporary households may not directly recognise the impacts, as the utility bill costs were usually included in the rent.

Table 7.5 Changes in prices of necessities between 1997 and 2000: Ban Wangmoon and Chomchon Hatanwa

Change in prices of necessities	Ban Wangmoon			Chomchon Hatanwa		
	Total respondents	Male	Female	Total respondents	Male	Female
- increase in input costs	54 (46.9)	21 (50.0)	33 (42.2)	38 (29.9)	24 (36.9)	14 (22.5)
- increase in consumable goods	108 (93.9)	41 (97.6)	67 (93.1)	112 (88.2)	50 (76.9)	62 (100.0)
- increase in petrol prices	38 (33.0)	16 (38.1)	22 (30.1)	88 (69.3)	51 (78.5)	32 (51.6)
- increase in utility bills	93 (80.9)	34 (80.9)	59 (80.8)	80 (62.9)	39 (60.0)	41 (66.1)

The increase in petrol prices affected urban households more than rural households. A significantly higher percentage of urban respondents (70%) made claims of negative affects compared to only 33% of Ban Wangmoon's respondents. An increase in input costs can also be observed. In the survey, it was found that 47% and 30% of Ban Wangmoon and Chomchon Hatanwa household respondents respectively made such claims. In Ban Wangmoon, input costs are mostly related to farm production. The increase in such costs was attributed to a devaluation of the Thai baht, which affected the prices of imported fertiliser and pesticides. In Chomchon Hatanwa, an increase in input costs affected taxi and mobile shop businesses, as these businesses were reliant on petrol inputs.

From the discussion and the data presented, it can be suggested that although villagers in both sites were being negatively affected by the increase in prices of goods/service, individual actors have experienced the price changes differently in the two communities. The findings point in the direction that it is determined by the goods and services market which individual actors are dependent upon. As the residents in Chomchon Hatanwa have a higher dependency on buying various inputs and necessities when compared to those resided in Ban Wangmoon, they appeared to have a higher increase in expenditures. Besides, the naturally available food resources in Ban Wangmoon also helped cushioning the diversification of their livelihood construction away from the food market, hence the decline in financial expenditure on food.

2. Different patterns of price changes of consumable goods were found in Ban Wangmoon and Chomchon Hatanwa

On average, the prices of consumable goods, including fresh food, seasonings and personal care products, as collected from the survey of local stores, increased over the period 1997-2000 by approximately 31% in Ban Wangmoon and 34% in Chomchon Hatanwa. However, there are clear differences in the pattern of these price changes in each community. Table 7.6 shows that the price of seasonings and personal care products sold in Ban Wangmoon was generally higher than those sold in Chomchon Hatanwa, whilst agricultural produce or other items produced in the community were slightly cheaper than in Chomchon Hatanwa. For example, the price of light soy sauce in Ban Wangmoon prior to the crisis was 28 baht/bottle whilst it was sold for 22 baht/bottle in Chomchon Hatanwa. On the other hand, the price of runner beans was 5 baht/kilogram in Ban Wangmoon whereas it was sold for 12 baht/kilogram in Chomchon Hatanwa.

Table 7.6: Comparison of consumable product prices in Ban Wangmoon and Chomchon Hatanwa between 1997 and 2000 (baht/unit)

Products	Ban Wangmoon				Chomchon Hatanwa			
	Before crisis (baht/unit)	After crisis (bath/unit)	% change	Duty M F	Before crisis (baht/unit)	After crisis (baht/unit)	% change	Duty M F
Pork	80	90	12.5	*	Not for sale	Not for sale	0	*
Chicken	53	60	13.2	*	Not for sale	Not for sale	0	*
Beef	68	78	14.7	*	Not for sale	Not for sale	0	* *
Eggs (small)	20	24	20.0	*	18	22	22.2	*
Eggs (large)	Not for sale	Not for sale	0		20	28	40.0	*
Vegetable oil	10	12	20.0	*	8	11	37.5	*
Fish sauce (small)	10	12	20.0	*	10	12	20.0	*
Fish sauce (large)	25	Not for sale	0	*	23	Not for sale	0	
Light soy sauce	28	38	35.7	*	22	26	18.2	*
Dark soy sauce	10	15	50.0	*	8	10	25.0	*
MSG	1	5	400.0	*	1	1	0	*
Sticky rice	8	7	-12.5	*	8	12	50.0	*
Jasmine rice	14	17	21.4	*	12	17	41.7	*
Sugar	14	16	14.3	*	12	14	16.7	*
Shallot	29	50	72.4	*	30	60	100.0	*
Garlic	31	62	100.0	*	30	60	100.0	*
Dried chilli	5	5	0	*	5	7	40.0	*
Salt	1	1.5	50.0	*	1	1	0	*
Shrimp paste	6	9	50.0	*	5	8	60.0	*
Anchovies	2	6	200.0	*	1	2	100.0	*
Runner beans	5	7	40.0	*	12	30	150.0	*
Detergent (sachet)	2	5	150.0	*	1.5	2	33.3	*
Detergent (small)	5	12	140.0	*	4	8	100.0	*
Soap (Parrot)	7	9	28.6	*	Not for sale	8	0	*
Soap (Lux)	10	13	30.0	*	8	10	25.0	*
Tooth paste	18.5	20	8.1	*	14	18	28.6	*
Shampoo	1	3	200.0	*	1	2	100.0	*
Condensed milk	18	20	11.1	*	16	Not for sale	0	*
UHT milk	9	11	22.2	*	8	10	25.0	*
Snack	2	5	150.0	*	5	Not for sale	0	*
Medicine	5	5	0	*	Not for sale	Not for sale	0	*
Total*	472.5	617.5	30.7		283.5	379	33.7	

Note: data gathered from an average consumable product prices survey of three grocery shops within the community, December , 2000. Total prices include only products sold before and after the crisis.

There are three main explanations for the different product pricing. Firstly, the demand for agricultural produce is lower in Ban Wangmoon than in Chomchon Hatanwa because many products are already cultivated within the community and used for home consumption. Secondly, the cost of transportation escalates the price of the agricultural products in the urban community. Likewise the cost of transportation also pushes up the price of other consumable goods in the rural community. Thirdly, there is more

competition from traders in the urban community which helps keep prices lower. Urban residents can easily access a range of department stores, supermarket and discount stores. Thus, the prices of products in these stores are kept down in order to remain competitive.

These same factors influence the different degree of price increases for consumable goods following the shock. That is to say that an increase in prices of agricultural produce in Ban Wangmoon is smaller when compared to an increase in prices of the same items sold in Chomchon Hatanwa. For example, the price of jasmine rice increased by 21% in Ban Wangmoon compared to 42% in Chomchon Hatanwa. On the other hand, an increase in other consumable products such as seasonings and personal care products was greater in Ban Wangmoon. For example, the price of dark soy sauce grew by 50% in Ban Wangmoon compared to only 25% in Chomchon Hatanwa. This trend is not surprising when the negative effects of the crisis and ESAPs on petrol prices, and therefore transportation costs, are considered.

Health and education

The significant findings are:

1. Dropout rates for children in formal compulsory education did not change

Although the crisis caused negative impacts on household income and expenditure, children and particularly those in compulsory education, were not withdrawn from school. As previously explained, education in Thailand is viewed as a ladder to success and a route to higher status. Parents attempted to keep children in school at all costs. In Ban Wangmoon, the principal claimed that during the crisis, parents preferred to send offspring to school because free food, milk and education are provided. In some ways, this lifted the burden for parents of feeding and supervising children. In Chomchon Hatanwa, on the other hand, students were kept in school because the financial benefits of leaving school were not great enough. Parents claimed that they only considered withdrawing their children from school if they were sure they could get a well paid job. During the crisis there was simply not enough good job opportunities to make taking young students out of school worthwhile.

A dropout of seven students from high school education and B.Tech. degrees occurred in Chomchon Hatanwa. However, all these dropouts were claimed to be only temporary.

The reasons for these dropouts were mainly financial problems as the government only provides free education in limited public schools up to the age of twelve. Gender does not appear to have influenced the dropout, only age. In the main, parents tend to remove the oldest offspring from school as these have attained the highest education level and hence have the best wage earning potential. Parents also claimed that it was easier for children in higher education to return back to school at a later date than those in lower education.

2. A shift from private to public health services was found to have occurred

It became clear during the wealth ranking in both communities that the wealth status is partly determined by the household's choice of access to fundamental services. For example, while private services of health or education are more expensive than the public services, people attached a higher status to those having access to them. However, after the crisis, a considerable number of households in Chomchon Hatanwa were unable to maintain the payment of private insurance premiums because of the lower disposable incomes caused by a decline in nominal income while prices increased. Many residents claimed that they had to take the risk of having no insurance and pray that they would not fall ill. They claimed that if they could not afford to pay for the private health care themselves, particularly as the price of drugs also increased, then they had no choice but to switch to public health care.

For Ban Wangmoon households, on the other hand, all households except those engaging in public sector work were eligible for free public health care and education. Although the rich and medium households switched to private health care during the boom, many changed back to the state schemes after the crisis. Some rich households did manage to continue using the private sector health care despite the increased cost of the service.

The mass movement from private to public health care and the increase in price of medical equipment and drugs subsequent to the devaluation of the Thai baht both contributed to a decline in the general quality of public health provisions. The freeze on medical staff recruitment also produced knock-on effects for patient service and crowding. During the interview with the statistician at Nokorn Ping Hospital, she claimed that the way government budget provisions are based on performance may do more harm than good. Based on this method, performance is measured by how quickly patients are cured. This is evaluated by the number of nights patients have to stay in hospital. She feared that the

early discharge of patients prior to full recovery may help the hospitals get more funding but also causes extra health risks for patients.

Contributing factors determining the differentiated impacts and responses

This section discusses in turn the two key factors of market proximity and resource portfolio while the subsequent section focuses solely on gender.

Market proximity

The evidence of the impacts previously presented in four aspects seems to suggest that all those engaging in market economies, both in the productive and reproductive realms, felt the effects of the economic crisis. Regardless of where people reside, the degree of impact is determined by the individual's market proximity and his/her position in the market (whether one is an employee/employer, whether one is in private, public, self employed or casual sector work, or in what industry one is situated). However, as the evidence shows, there is a tendency that those dwelling in the urban slum community are more likely to have close relations with the markets and a particularly high dependency on the markets of food and consumable goods. That is to say, because the markets mediate the effects of both the crisis and the ESAPs, those who are closely dependent on the markets as producers and/or consumers will be affected most. Exactly how one is affected is determined by the sectors/industries and the vulnerability of the position of individuals within the market.

Although each individual actor may have experienced different impacts, some generalisations may be made here. I would argue that actors who were employed in relatively high ranking jobs (according to the job ranking in both communities) tended to experience limited adverse impacts and may have gained from the changes in economic conditions. Partly this is because to obtain such a job with a high job ranking, actors need to have an accompanying high quality resource portfolio i.e. good education, good social connections, high physical resources or financial resources to first invest in the labour. With their high resource portfolio, they are able to engage in the labour market on relatively better terms (better sector, industry and conditions). As a result, for example, people who are employed in the public sector tended to be less adversely affected when compared to those engaging in ill-regulated casual waged work. The relatively speculative

industry of construction and its relatively insecure conditions also suggests negative implications for the workers within the industry. Within the same industries such as farming, those with relatively higher resource stocks tended to be able to take more advantage from the market.

I would also argue that the individual actors in Chomchon Hatanwa, where the residents were highly dependent on the food and housing market, tended to experience more adverse impact from the shock derived from changes in prices of food and housing. Unlike villagers in Ban Wangmoon, the limited resources, and especially natural food sources, constrained them from diversifying their survival strategy.

Resource portfolio

How individuals or households respond to the new market incentives/threats, I have argued, is partly determined by their surrounding context and the diversification of their household resource portfolios. As discussed in Chapters 5 and 6, the economic conditions that changed during the shocks created a new context for economic activities. This new context of shocks consequently affected the employees within each activity. How one can respond to the change is dependent on the ability to mobilise and utilise or diversify their available resources at the desired time. It has been shown that value attached by villagers to different resources varies and this different value of resources tends to relate to the quality of the resource in terms of how advantageously one can utilise it. Different resources are also valued differently according to their possible usage. For example, land and housing is usually ranked highly for survival purposes whereas financial resources are ranked highly for the purpose of income generation and investment. For this reasons, I would argue that, in times of crisis, what resource individual actors choose to utilise or mobilise in response to different impacts from shocks is influential in the success of the livelihood strategies and outcome.

Before exploring the role of resources in cushioning or assisting the actors in times of crisis, let us now explore the value of each resource. According to the wealth ranking tasks⁵⁶, when asked to rank resources, it was claimed that five main resources were most

⁵⁶ Pictures of different materials owned by households were put on cards and participants were asked to rank them into three groups including (a) the most important resources for survival (b) the most important resources for accumulating wealth (c) resources that represent wealth. (See detail in Appendix 4)

important for survival. These five resources were residential land, house/compound (with sanitation), farmland, jobs (means to earn money) and food. The answers appear to be similar in all groups except that women in both communities ranked food higher than farmland and jobs. The reasoning behind this was that people cannot work if they do not eat food. However, when participants further ranked those resources that help individuals accumulate wealth, all groups included productive resources such as shops, pickup trucks and money. In fact, they added that having an education and social connections with “Khon yai khon to” or powerful people can help in the process of looking for good jobs or with the chance of success in business. Lastly, when participants were asked to name the resources that indicate the wealth status of individuals or households, they claimed that big cars, a concrete house with tiled roof and inside toilet, a lot of gold and jewellery and a large amount of savings were associated with the rich. These resources, apart from being identified with the rich and seen as a status marker, can also be used as a resource that restores value. These resources can be transformed into financial resources.

In broad agreement with the values attached to resources by villagers, I would contend that the availability of reproductive resources, such as those included in the survival level resources (land, house, farmland, jobs and food), is the most crucial factor in determining the ability to survive the crisis. This seems to be confirmed by the villagers. When asked “Do you think rural or urban people were able to survive better during the crisis?”, all respondents claimed that rural villagers were more equipped to cope with economic shocks on the survival level as they did not have to buy food or pay rent. In this sense, it may be argued that the households who can better survive the shocks are those possessing the reproductive physical resources. Within Ban Wangmoon, the resources that can be identified as highly important in cushioning the impacts are natural resources. These natural resources can be viewed as a survival level resource as well as a resource that can draw financial income.

In the urban slum setting, with the limited natural and reproductive physical resources, the finding shows that roles of labour and its embedded human resources can be identified as the most important assets to be utilised during the crisis. This can be seen in forms of the mobilisation of extra labour, usually children entering the labour market and the change of jobs of individual actors. The utilisation of human resource goes as far as the usage of one’s sexuality in drawing financial resource from working in a bar work. Beside the

labour and human resources, for the permanent residents, housing, the reproductive physical resource was diversified to earn extra income for survival.

For households or individuals to gain from the crisis, it is highly important that they have access to productive resources and are able to utilise those resources. From the study, it was found that wealthy households, residing both in urban and rural communities, have a higher quantity and quality of resources, which can be utilised to cushion any negative impacts. Some households can even use resources to take advantage of the situation. For instance, Ruang, a rich male rural farmer, gained financially by exploiting increases in the price of jasmine rice. He was able to divide his large area of farmland to grow both sticky rice and jasmine rice. His connections with the government agricultural promoter gave him an opportunity to receive pertinent advice and information with regard to changes in prices. He used his savings to quickly respond and buy new crop seeds without having to look for a loan or ask for credit. For the poorer farming households, with limited information, land and capital, switching to cash crops was far more difficult.

The role of social resources can also be identified as highly important and they were widely utilised in both communities. The case studies of individual households in both villages provide evidence that social resources can be used in three ways. Firstly, social connections can be used as a long-term “cushion” or “absorber” for the negative impacts caused by the shocks. This is illustrated well by the case of “Ma”, who utilised her social connections and the social expectations of a daughter-mother relationship to negate all possible negative impacts from the shocks. In Chomchon Hatanwa, Pad used his social connections with his customers to cushion the possible adverse impact from an increase in food prices.

Secondly, social resources can be used by individuals to temporarily ease the adverse impacts. A typical example is the case of Ampa in Ban Wangmoon. Although Ampa was classified as poor and possessed small stocks of the other three types of resources (not including natural resources), she survived the crisis by exploiting her social connection with the grocery shop owner and asking for loans to buy food that was much needed for survival. In Chomchon Hatanwa, Mae Paeng also used her good relationship with the village committee to secure a loan granted by the government under the Social Investment Programme. This money was used to keep her children in school.

Thirdly, social connections were used in response strategies that took advantage of the new vulnerability context of the shocks. This type of utilisation appears to be mainly associated with those households identified as rich. This is because these households are generally more able to utilise their high resource stocks, especially the productive physical, financial and human resources, in any desired way. Social connection/resources can be used to support the process of diversifying resource usage in response to the changes in economic conditions. For example, Ruang's case of the diversification of his farm production was supported by the knowledge of prices and demand changes that he received through his connections with the government farming promotional officers. In this sense, the usage of social resources enhanced the ability to utilise other resource stocks and exploit the changing context of the shocks.

Gender-differentiated impacts and responses

Me: "Do you think men and women are affected by the economic crisis and the IMF programmes differently?"

Bangorn : "No, I don't think men and women are affected any differently.

Me: "Why is that?"

Bangorn: "Because both men and women are working for cash. And because they are living in the same society, when the economy goes bad they are both affected. The rise in the food, consumable goods, utilities and petrol prices also has an impact on everybody in the society because we all need these. It is not that men need to eat but women do not."

Me: "How about yourself, do you think you are affected by the crisis differently from your husband or any other member of the family?"

Bangorn: "No, I don't think so."

Me: "Why is that?"

Bangorn: "It is because we are living in the same household and we share our income and food. As I said, Ai Ruang (the husband) and I are both working on our farm. When the economy is bad and the prices of fertilisers and pesticides are changing we are both affected. Our income from farming was affected. You can't say that I am affected more than him or he is affected more than me. Everybody in the household is affected."

The views of Bangorn regarding the gender-differentiated effects of the crisis and changes in economic conditions were not uncommon. Regardless of whom I asked, man or woman, urban or rural dweller, the answers given to my questions soon became predictable. Usually, the interviewee would maintain that there were no gender-differentiated impacts

of the crisis or the ESAPs! Why? They claimed that it is because men and women live in the same household, share income and have the same needs.

Such answers were initially quite surprising, as my preconceptions had led me to expect evidence of gender bias in the economic crisis and the ESAPs. Many theories and empirical studies reviewed prior to the fieldwork suggested that gender-differentiated impacts of the economic crisis and the ESAPs were clear and that women tended to bear a substantial proportion of negative impacts whilst losing out on many positive ones. Moreover, my tutor Ann Marie Goetz during my Master Degree course in Gender and Development at University of Sussex repeatedly made the point that “Gender is everywhere” and this was constantly in my thoughts.

The findings which I presented in the previous sections in the four aspects of impacts also show the trace of gender-differentiated in both communities, though they can be seen more clearly in some aspects than in the others. The answers I found contradicted my own preconceptions and left me with one most important question: “Why can’t they see the gender-differentiated impact of the shocks?”

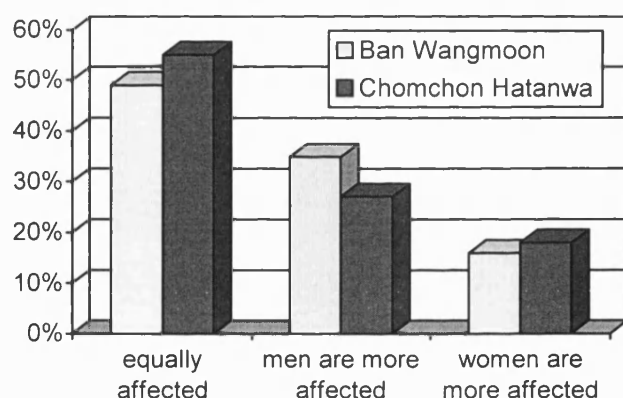
The gender differentiated impact: the villagers’ self perception

It was initially planned that part of my questionnaire would directly ask the respondents to identify the gender-differentiated impacts of the economic crisis and the ESAPs. This is because studies on gendered impacts, as well as other kinds of macro impacts assessed at micro level, have often been criticised for their inability to resolve causality issues. Some researchers have been criticised for mixing and matching macro level causes with micro level impacts. It was hoped that by asking the villagers to identify the gender-differentiated impacts themselves I would be able to more accurately link the impacts with their causes. However, this research method of direct questioning on the gender-differentiated impact of the crisis and the ESAPs, appeared to be unfruitful. In fact, I found that talking about any gender issues at all was highly problematic. I will return to discuss this point later in the chapter and try to resolve why the villagers found it difficult to talk about gender issues.

Although I became aware of these difficulties in asking about gendered impacts of the crisis and the ESAPs, I persevered with my direct questioning. When asked “Who do you think is more affected by the economic crisis and the ESAPs: men or women?”, the highest

proportion of respondents in both communities claimed that both men and women were equally affected by the crisis. As shown in Fig. 7.3, 49% of Ban Wangmoon respondents and 55% of Chomchon Hatanwa interviewees described the impact felt by men and women as being equal. The answers were fairly equally distributed between men and women as 50% of total male and 48% of total female respondents in Ban Wangmoon and 52% of total male and 58% of total female interviewees made such a claim. The reasons supporting this claim include the fact that men and women live in the same household, both work for cash, both are in the same society and both are equal. Some respondents claimed that men and women have complementary roles and share responsibilities. The complementary roles imply that if one is affected by the crisis the other is also inevitably affected. This line of reasoning was common in both urban and rural communities.

Figure 7.3: Gendered impact of the economic crisis and the ESAPs: Ban Wangmoon and Chomchon Hatanwa



The second largest portion of respondents in both communities claimed that men were more affected by the economic crisis and the ESAPs than women, accounting for 35% of all respondents in Ban Wangmoon and 27% in Chomchon Hatanwa. In Ban Wangmoon 42% of male and 28% of female respondents made this claim compared with 31% of male and 23% of female respondents in Chomchon Hatanwa. Not surprisingly there were more men making such claims than women in both communities. Those who felt that men experienced more or heavier impacts generally justified this view by explaining that men work in the labour market for cash, are the main household income earners and breadwinners and also head the household. Obviously, the changes in economic conditions directly affected those engaged in the paid economy. It was also expressed by respondents

that there were more pressures on men during the crisis in making sufficient money to cover household expenditures, as this is perceived as mainly their responsibility. When analysing the backgrounds of respondents who made these claims it was apparent that the majority were both men and women residing in male-headed households with a male member as the main household income provider. In Ban Wangmoon, most of these households had male heads who engaged in construction work and who were negatively affected by the crisis.

In Ban Wangmoon, 8% of male and 24% of female respondents claimed that women were more affected by the economic crisis and the ESAPs while in Chomchon Hatanwa, 17% of male and 19% of female interviewees made the same claim. Reasons given were that women have less income, even when the economic climate is favourable. Therefore, in times of crisis, women found conditions more severe and also suffered from intensification of working conditions and reduced wages. In addition, as household budget managers, many women had to cope with matching household budgets to household needs.

The perceptions of the gender-differentiated impact in these two communities appear to be similar. In both communities few respondents claimed that women were more affected. Some claimed that men were more affected, but the majority of interviewees claimed that men and women were equally affected by the crisis. These findings are markedly different to those from the study of the gendered impact of the economic changes elsewhere in the world. Many studies in Latin America, Africa, and South Asia have suggested that women have invariably come out worse under the ESAPs, both in terms of negative impacts and lack of economic or social gains. However, it should be remarked that in most of these studies researchers did not attempt to find out the respondents' own perception of the gendered impacts.

Examining the explanations provided by Chomchon Hatanwa and Ban Wangmoon villagers with regard to the gendered impacts leads to the conclusion that villagers had a number of common viewpoints on the differentiated impacts. For those claiming no gender differentiated impacts, this was due to the fact that men and women were engaged equally in the productive sector/paid economy and hence, were both susceptible to changes in economic conditions. This explanation also corresponds with the claims of Som and Pad that only people with high market proximity feel the impact. A shift in women's work from the reproductive to productive sphere was not apparent because a high proportion of

women in these communities, and in Thailand in general, already engaged in the paid economy. This is true both currently and historically. There are few social barriers for women that hinder participation and mobility in the labour market or paid economy. This high participation in the labour force is reflected in the general view of women as “household economic agents” and not “female workers”. The gender division of labour, especially in the reproductive sphere, places primary responsibility on the women of the household, although it was generally claimed that overall men and women have a complementary role. Gender conflicts over housework were not obviously apparent and the investigation of household resource management, as previously described in Chapters 5 and 6, suggests that most household resources were pooled while women tended to wield control over household budgets. However, for this very reason, some respondents felt that women were more negatively affected during the crisis due to the pressures of household budget management and welfare maintenance.

It is striking that the claims and explanations given by the villagers of the equal impact of the economic crisis and the ESAPs appear superficially to be reasonable and valid. However, interpretation of these findings must be undertaken carefully. Although around half of the respondents in both Chomchon Hatanwa and Ban Wangmoon claimed that men and women were equally affected by the crisis, the answers of the remaining respondents suggest that some gender differentiated impacts are present and warrant further investigation. Clearly, this must be undertaken with a different approach. It should also be highlighted that because the questions asked on gendered impacts were not highly specific and could be viewed as rather abstract by some interviewees, it is probable that the respondents were influenced by their perceived gender ideologies, rather than basing answers on tangible evidence or personal experiences.

Is there a gender-differentiated impact of the economic crisis and the ESAPs?

From the investigation of the impacts of the economic crisis and the ESAPs in Chomchon Hatanwa and Ban Wangmoon, tracing through the changes in employment, income, expenditure and changes in health and education conditions, the evidence suggests that the answer to the above should be “Yes”. There was a gender-differentiated impact of the changes in economic conditions though the gender bias was clearer for some impacts than others. For example, the changes in employment do not conclusively show gender bias although the statistics do show that a slightly higher percentage of women in both

communities reported changing jobs after the crisis. Surprisingly, the gender-segregation in the labour market seems to be the main reason for the lack of gender differentiated overall impact. Although women were concentrated in industries which were negatively affected by the crisis, men were concentrated in different industries which were also severely affected by the economic turmoil. These widespread impacts on both male and female employment industries seem to even out the overall degree of impact on each sex. These findings appear to differ to those of other studies that suggest there is a marginalisation or feminisation effect caused by the economic shocks (Lim, 1994, Pearson, 1997). These disparate findings may be explained by the fact that previous studies have often concentrated on the effects on female employment in the manufacturing sector. The field sites that I chose for my research involved communities where few workers were engaged in manufacturing industries, and therefore the findings might be expected to throw a different light on the issue.

Many women, however, were negatively affected by the direct impact of a decline in income compounded with an increase in prices. In both communities, women took almost all the household budget manager roles and were also responsible for household expenditure. An increase in prices of consumable goods and products meant that women came under increased pressure in dealing with the changes in economic conditions. Although women sometimes sought additional help from male household members, the level of assistance they received was dependent on intra-household negotiations. In most cases, women tended to not seek help from their male counterparts unless it was absolute necessary. The higher costs of living meant that women in some ways had to work harder to maintain the same level of household welfare. The example previously given in Chapter 5 was that of Bangorn, the farmer's wife with two sons who spent more time hand washing clothes in order to minimise the electricity usage. Pui, the married temporary resident with two children invested more time in cooking, instead of buying prepared food.

While the survival strategies for urban women were limited and constrained by limited space and resources, peri-urban women were able to cushion some impacts by utilising their diverse resource portfolio. However, in order to achieve this, peri-urban women put extra time into reproductive work, including gathering natural food resources and growing vegetables. These resources could be used as a substitute for bought goods and so helped reduce expenditure. The findings also suggest that not only women bear this unequal

burden but those taking a woman's typical role as household welfare provider of the household such as the Mee and Prakarn case studies. For those living in the urban slum, the human resource especially sexuality of women was found to be used in one case as a resource being utilised to draw the financial income much needed for survival of the household.

The gender differentiated impact with regard to health and education was less apparent. Parents attached great value to education as a ladder to financial and social success. Therefore, children were kept in school unless the financial problems of parents were too great to bear. In these cases, it was age rather than gender that was the main determining factor in who was withdrawn from school. In terms of health, the gendered impact is difficult to determine conclusively. Though the trends of changing access to health services in both communities are similar, gender biases are not apparent from the survey.

Why can't villagers identify gendered impacts?

Based on the evidence uncovered by the four channel impact analysis, if the argument that there were gender-differentiated impacts from the crisis and the ESAPs holds, then why are these findings inconsistent with the claims made by the majority of villagers i.e. that men and women were equally affected by the crisis. In other words, why can't the villagers see the differentiated impact on gender grounds?

Thai tourist - am I an outsider?

Although I am Thai by origin, and speak Thai dialect, it was noticeable to villagers that I was not from their communities. Mainly this is because my background of being born and bred in a middle class urban family and being educated in town bestows me with different values and cultural norms. The most unique example was when I went farming in Ban Wangmoon on one hot summer's day. Farmers were extremely worried that I was wearing only a T shirt, a pair of combat trousers and had bare feet whilst they were wearing a T shirt, long sleeved shirt, scarf around their neck, a hat, long trousers, socks and Wellington boots (Picture 7.1a). Whilst they thought that the sun would damage my skin, I thought that it was most impractical to wear that many layers on such a hot day. When I explained to them why I was wearing so little, I could sense that they thought it ridiculous and they jokingly laughed about it. Perhaps the first thing I learnt from the fieldwork was to not immediately question their actions but rather to comprehend what and why they do things

their way. Picture 7.1b shows how I soon adopted their practices and wore the “normal” farming uniform!

Picture 7.1 Farming dress code



7.1a The first day of farm work



7.1b The following day of farm work

The kindness, tolerance, openness and hospitality that I received not only in Ban Wangmoon but also Chomchon Hatawan was exceptional. People who I soon became close to always made me feel at home and treated me as one of their relatives, asking me to call them “mae” mother, “paw” father, “phi” bigger sister, “nong” little sister, “ai” bigger brother, etc. To a great degree, their hospitality eased the anxieties of my first lone fieldwork and in fact my first ever research. At the same time, this extremely warm welcoming without the significant problems which many other researchers had experienced, also made me question the attitudes I encountered within the communities.

The villagers' hospitality reminded me of travel brochures about Thailand. The country is often described as a user-friendly country, cheerful and tolerant of people and a great service provider. The government body Tourist Authority of Thailand wrote on the front page of their brochure: Welcome to Thailand, the Land of Smile (TAT, 2002). However, as Sanitsuda Akachai (1993), the leading Thai newspaper editor wrote in her book *Behind the Smile: the smile of Thai people masks many messages*. A smile, she claimed, is not necessarily a sign of happiness but a shield of sadness and conflict.

Conflict avoidance - the masking of gender conflict

As a Thai myself, the comments of Sanitsuda make a lot of sense. In a way, her comments relate to the hospitality I received when I first entered the communities, and was little different from the tourists being welcomed by Thais. The fact was that I could not initially feel any kind of conflict or tension amongst people, or even between the villagers really worried me. The longer I stayed in the field sites, the more I realised that conflicts and tensions are always there but are usually hidden by a smile or a joke. However, they are not so difficult to pick up from conversation, observations and idle gossip. These findings are not so different to the theories of many anthropologists and sociologists of Thailand being a society of conflict avoidance.

To the outside world, Thais appear to be always calm. As Kriengsak Chareonwongsak, the executive director of the Institute of Future Studies for Development put it

"On the surface our (Thai) society seems calm, but in fact many factors exist which cause conflict, dissatisfaction, violence and unfair judgements between individuals. Our society is – in fact – anything but peaceful."
(Bangkok Post, May 17, 2002).

William Klausner, an anthropologist who has long engaged in Thai cultural study for more than forty years also wrote in his book "Culture in Transition":

"Expression of antisocial emotions such as anger, displeasure, annoyance and hatred are to be avoided at all costs. Thais find themselves psychologically uncomfortable with interpersonal tension and conflict."
(Klausner, 1991, page 14).

Andrew Matzner is an anthropologist who has for sometime investigated the notion of "Thailand as a non-homophobic open country", as claimed by various western academics. He observed that just because there is no violent resistance to homosexuality in the country, it does not mean that homosexuality is accepted by Thai society. He proposed that the cultural norm of conflict avoidance is the main reason for covering up any possible outward objections to gays and lesbians. He further claimed that the fact that there is no surface expression of conflict implies that the problem is even more deep-rooted than one would have anticipated (Matzner, 1998). As he puts it: "outward acceptance masks the deep-seated negative attitudes many Thai people have toward lesbians and gays."

This characteristic of conflict avoidance added complications to my research in many respects. Clearly, the study of the gender-differentiated impact of the shocks by directly

asking the villagers to compare the impacts requires that they talk about conflicts. After undertaking the interview in such a way, I realised that the answers and the reactions of people towards the question were interesting, but did not directly reveal much of the story, and probably added to my confusion. I became highly skeptical of what the majority of the villagers were claiming: that men and women were equally affected by the crisis. I felt there was a flaw in the answers caused by the desire to live up to their own ideologies.

The answers to the questions on gender-differentiated impact were shaped by the Thai norm of conflict avoidance. There were many cases that hinted that people do in fact feel gender-differentiated impacts but individuals would not openly discuss these unless they felt compelled to do so. The respondents who claimed equal impacts of the crisis in terms of gender, on many occasions, made complaints about their uneven burden during the economic downturn. For example, Inn, a middle aged rural woman running her own grocery shop in the village complained bitterly when she was upset after a row with her husband over their shortage of money. After her husband left the house she told me

"Everything is on me, can you see? I am working here earning income, paying for everything, electricity, water, food even his cigarettes. He (her husband) now does not have any work so he just sits around. Seeing him sitting around really upsets me, you know? And I can't just run away as I have two children to look after. You see, being a woman is so hard."
(Informal discussion with Inn, April 2000)

Though it is not always the case that women are more negatively affected by the economic turmoil I would argue that the impact of the crisis and the ESAPs is strongly determined by the division of labour and the process of negotiations, both at household level and above. What seems clear is that those having the role of household budget manager and responsible for household welfare provision are highly vulnerable to changes in economic conditions. As women are mostly responsible for that role, I would argue that within the household, women tend to be more directly affected by the economic crisis and the ESAPs. Men who share these roles experience similar effects such as in the previously discussed case of Mee and Prakarn. It is also apparent that the process of intra-household negotiations determines the transfer of these impacts.

Gender conflict in a Thai context – lack of dialogue and the masking of gendered impact

Conflict avoidance alone is not the only factor that explains why people feel uneasy talking about gender issues. I believe that the gender issue is difficult to discuss in any society, but is particularly difficult in a Thai context because of the non-existence of gender related vocabulary. The term gender itself did not exist in Thai until the late 1970s. I am not alone in experiencing this complication. Buapan (1999a) explained his frustration in discussing gender issues with both Thai academics and lay Thais. He described that during the presentation of his paper “Gender and Property Rights in Northeast Thailand” his university lecturer colleagues in Social Development Programmes asked him what the profit of researching gender would be. He suggested that those kinds of questions were only raised because people did not think that gender study is needed in a Thai context. In other words, people would like to think that the Thai sexes are already equal.

LeeRay Costa (1999), an American anthropologist studying the gender identity of NGO workers in Northern Thailand, also found the same problem i.e. that female workers could not see their gender identity and were unable to talk about gender in the context of their community work. This was true even when the work was highly gender specific. She explained that this was because of the influence of western modernist epistemology and enlightenment-based notions of “Man” and humanism. She concluded that those NGO workers view themselves or at least try to present themselves as “the same” as men.

The lack of established dialogue with regard to gender can be considered an important factor. During the course of the fieldwork, I tested the theory of conflict avoidance by asking villagers about the exploitation between different classes or the differentiated impact between the rich and the poor that people faced during the crisis. I found they feel at ease talking about class and many names and examples were given. For example, Oui Ta, an old poor male farmer explained how he had to pay a high interest rate on money owed to Ruang, a rich farmer. He claimed that because of the shortage of money and too great a debt, he had to agree in selling rice cheaply to Ruang even before the rice was fully grown. This he called “Tok kiew” or fallen green (buying rice when it is green). I believe that if language and space is created for Thais to talk about gender tensions then the problems of conflict avoidance with regard to gender will diminish.

As well as the aforementioned problems of conflict avoidance and lack of gender dialogue in Thai, I would suggest that the poor view the crisis in a more practical way than most academics. The crisis is viewed as a shock on their survival capabilities; a shock that requires household members to unite and fight the crisis. It is not viewed as necessary or appropriate to compare who is more affected than who or how differently men and women are affected. It is argued that this attitude neutralises any unwanted gender-differentiation one may feel from the impact. The collected stories of 20 Thai people during the crisis impressed the WB staff by the resilient qualities of the Thai family. In the introduction of what became a WB publication, it is stated that

"The spirit and togetherness of Thai families and communities, as well as the Thai commitment to self-sacrifice and mutual help, is inspiring."
(Jayasankar Shivakumar, 2002 page 1).

Sanitsuda (1996) emphasised that poor women in particular have a tied identity, fully integrated in the household and community as mother and wife. She puts it:

"Poor women do not talk about women's rights but talk about daily life stories. If they talk about rights, it would be related to the property rights. Thai women, especially those in the rural area, cannot see themselves as separate units from household and community" (Sanitsuda, 1996 in Satreetat page 11)

Conclusion

This chapter identified similarities and differences of the impact of the economic crisis and the ESAPs experienced by Ban Wangmoon and Chomchon Hatanwa residents. It was pointed out that the unemployment rate in both communities has not changed significantly since the crisis. However this is not an ideal indicator for investigating the impacts on employment in Thailand. This is because the lack of social security forces individuals to find some alternative ways of generating income, however miniscule. Hence, unemployment is always low regardless of the demand for labour. It was suggested that the study of the impact on employment would be better carried out using the figures on job changes.

From the household survey, it was found that there were a significantly higher percentage of people reporting a change of jobs in Chomchon Hatanwa. This can be explained by the fact that Chomchon Hatanwa has a high market proximity and a dependency of employed persons on troubled industries and employment sectors. Ban Wangmoon employees on the

other hand, although engaged in the paid economy, work in the casual waged sector, which is more elastic in terms of accommodating workers.

The household income trend in both communities declined after the crisis whilst household expenditure increased. The decline of income in Ban Wangmoon stemmed mainly from the decline in demand for casual waged work in the construction and farming industries. In Chomchon Hatanwa, the loss of income was caused mainly by the reduction in nominal income following job changes. In times of crisis, when the household income declined whilst prices of necessities increased, a considerable amount of stress was placed on those carrying the role of household budget management and household welfare provision. In both communities it was found that women bear most of this burden. It should be noted that Ban Wangmoon women and their households were more resilient and better equipped to respond to the crisis. In many cases they were able to substitute available reproductive resources for food previously purchased in shops.

The effect of the economic crisis and the ESAPs on health and education created a shift from private to public services. These changes could be observed more in urban communities where only a limited number of households were eligible for free health care. Also there was a trend for people to use more self medication and purchase medicine from a consulting pharmacist rather than paying a visit to a hospital or clinic.

The lack of dropout from compulsory education was explained by two main facts. Firstly, in Ban Wangmoon, free lunch was provided to all students. This helped to lift the burden on parents of looking after and feeding children. Secondly, the social norms in both communities attach great importance to education as a voucher for success and a ladder to higher status. The dropouts were only observed from higher levels of education and only in Chomchon Hatanwa, probably because very few students in Ban Wangmoon were pursuing higher education. In Chomchon Hatanwa, the dropout was caused by financial problems. Which household members left education seemed to be determined by age alone, and not gender. The general view was that the oldest, best educated, child has the potential to earn the highest income, which is why only dropout from higher education was seen.

The chapter argued that the different impacts of and the responses of individuals to the crisis and the ESAPs in Ban Wangmoon and Chomchon Hatanwa were determined by three main factors including the different levels of market proximity, the resource

portfolio/wealth status and gender. That is not everybody experienced the same impacts. And this is differentiated by the proximity to the market and their terms of engagement. Those who are closely dependent to the market tend to experience more impact though not all impacts were negative. How one experiences and responds to the crisis is also determined by one's ability to mobilise and utilise available resources. A gendered impact was produced by changes in household income and expenditure because women have responsibility for providing household welfare and managing household income. Overall, the community of Ban Wangmoon appears to have dealt better with the crisis because the majority of people were engaged in the employment sector/industries that were less adversely affected. Also, abundant natural food and other reproductive resources enabled women to avoid purchasing higher priced necessities.

Although a gendered impact can be seen to arise from the changes in household income and expenditure, when asking villagers directly, the majority of villagers claimed that there were no gender-differentiated impacts. The latter part of this chapter has explored the main reasons why villagers' perceptions contradict the findings earlier discussed. Firstly, the Thai tendency for conflict avoidance causes individuals to try and cover up any gendered impacts. People avoid talking openly about gender conflicts. However, it was found that on occasions during the fieldwork people did talk about gender conflicts in informal conversation. Clearly people were aware of gendered impacts but were not prepared to discuss them with me under the circumstances.

Secondly, there is no established Thai vocabulary or dialogue of gender. Interestingly, the conflict avoidance that occurs when talking about gender does not seem to apply when talking about class and exploitation. One plausible explanation for this is that individuals only suppress conflict with those they often interact with or are in close contact with, e.g. kin and close associates. Another possible explanation is that the existence of class inequality does not conflict with their ideologies. The problem of investigating attitudes on gender is that there is little scope in the Thai language to discuss gender. Hence, the villagers find it difficult to enter into discussions on this topic. Finally, it is quite apparent that gender issues are currently not on their agenda because for most villagers the crisis is more about survival than politics.

CHAPTER 8

Conclusions

Since the implementation of the first national socio-economic development plan in the 1950s, Thailand has adopted and adapted various economic policies. Import substitution, export oriented, industrialisation and financial liberalisation strategies have all been geared towards generating economic growth. New economic policies, together with changing external and internal conditions have produced significant transformations in Thai livelihoods, brought about by their effects on the availability of natural resources, access and control over other resources and the proximity of Thais in general with the market system. All of these changes can be argued to have influenced the livelihood construction of Thai people, the bias of which has shifted from being relatively subsistence-based to market-dependent.

Prior to the economic shock, Thailand gained the status of the “fifth tiger” to symbolise the country’s impressive economic performance. This title refers mainly to the impressive double-digit growth rate throughout the end of the 1980s and the early 1990s. The World Bank and the IMF, the parents of the ESAPs, have claimed that this success is owing to the industrialisation policies implemented as part of the structural adjustment programmes in the previous decade. Arguably, this high economic performance and the trumpeting of its success by various commentators made Thailand more attractive as an emerging market. At the beginning of the 1990s, under the implementation of the financial liberalisation, there was a massive capital inflow that fuelled and maintained growth prior to the crisis in 1997.

The crisis, the ESAPs and their general impacts

The economic crisis in Thailand in 1997 was severe and widespread. Emerging alongside the crisis were many debates about what caused the crisis and what the solutions to the economic turmoil were. The two main lines of argument that have been presented in Chapter 2 contend that the crisis was homegrown, and caused by previously existing fundamental weaknesses, or alternatively, that the crisis was a consequence of flaws in the

international financial system. It is possible that a combination of these factors was responsible for the crisis in Thailand.

Following the flotation of the home currency in July 1997, the Thai government was forced to seek help in responding to the crisis. The country chose to adopt the conventional strategy and sought assistance from the IMF and the WB, which it received in August 1997 in the form of the ESAPs. The programmes concentrated on restructuring the financial sector, tightening government budgets and expenditures, removing subsidies on state enterprises and introducing tight monetary policies. The underlying assumption was that tight fiscal and monetary policies would reduce demand, create supply and adjust the economy structurally to create a shift in resources from the non-tradable to tradable sector. Ultimately, the programmes were designed to establish stable growth and improved efficiency.

On a national level, the ESAPs' implementation in Thailand in 1997 will be claimed as another success case, if macroeconomic indicators are the only yardstick. Although there was a slump in economic performance over the first two years of the ESAPs' implementation, the GDP has now started to pick up, the international reserve position has improved, the exchange rate has stabilised and the BOP position has been positive. At the time of writing this thesis, the Thai government has repaid all debt with the IMF related to the ESAPs a few years ahead of the deadline originally set.

It has been shown from the macro-level analysis presented in Chapter 3 that while the economy was in dire straits at the start of the programmes (as is normally the case at the beginning of such programmes), the Thai people were facing the worst economic conditions in their modern history. The economic contractions resulting from the collapse of the property and finance markets, as well as tight fiscal and monetary policies, caused adverse impacts on employment, reflected by a decline in the employment rate and an increase in the unemployment and underemployment rates at a national level. The nominal income of Thais declined at the beginning of the policy implementation while the prices of food and necessities increased. Approximately 3 million more Thais were forced below the poverty line in the year 1998 when previously an average of 1 million people a year had been brought out of poverty since 1976 (ADB, 2002). Although many people were financially worse off during the crisis, the inequality in terms of income distribution actually diminished (ibid, 2002).

Most alarming is the dramatic increase in poverty incidence during the crisis, which suggests that not only were a vast number of people living on the verge of poverty prior to the crisis but also that they were vulnerable to changes in economic conditions.

The negative impact of the crisis and the ESAPs on health and education conditions are made clear by a drop of 20 places in the ranking of countries according to their Human Development Index (HDI). However, health statistics such as infant mortality rate, life expectancy and daily calorie supply have shown steady improvement after the crisis. The education statistics, on the other hand, do not reveal any significant deterioration as the illiteracy rate continues to decline while the enrolment ratio has steadily increased, notwithstanding a slight decline in higher education figures. However, it should be noted that these statistics do not expose changes in the quality of services being provided and the changes to health and education provision in the longer term.

Fieldwork findings

The main part of this thesis focused on two field sites in order to tackle the research questions that concerned the patterns of socio-economic impact that were produced by the combined shock of the economic crisis and the ESAPs. A further aim of the fieldwork was to investigate a number of factors that could contribute to uneven impacts and responses. The fieldwork revealed that patterns could be identified within the distribution of impacts both within each community and between the two communities. This section will summarise the main findings of the fieldwork.

The socio-economic impacts in Ban Wangmoon and Chomchon Hatanwa

From the field research findings in the peri-urban and urban slum communities, it is clear that the economic changes during the crisis period affected people in a variety of ways and to varying degrees. Within both communities, however, patterns of impacts and responses can be identified. The evidence shows that these patterns discovered in the two communities share some similarities though the extent of the cited four aspects of impacts was found to differ. The pattern of response strategies by residents in the two communities also differ, which, through the SLF framework can be linked to the differing vulnerability context and resource base of households.

In aggregate, the findings support the proposition that the two main mechanisms that mediate impacts are markets and government service provisions. The differing proximity of the urban and peri-urban residents to markets and government service provisions were the main reasons why different degrees of impact were felt. These two factors can also be used to explain why not all people experienced impacts from certain policy changes. Table 8.1 summarises the impacts of the economic crisis and the ESAPs in the two communities, as previously discussed in Chapters 5, 6 and 7, by comparing conditions before and after the crisis. The data is derived from the four channels impact assessment and the table is used to link this data to the crisis and various policies implemented under the ESAPs. The table reveals that both Ban Wangmoon and Chomchon Hatanwa residents were affected by the shocks in similar ways though the frequency of many types of impact was different in each community.

Impacts felt through engagement in the employment market were mostly negative. In terms of the pattern of these impacts, there were important similarities found between the two communities. It was discovered that the degree of impact experienced could be related to the particular sector of employment in which individuals were engaged at the start of the crisis period. Overall, those employees most adversely affected were casual waged workers, particularly in the construction industry, followed by labour in the private and self-owned business sectors. The differing terms of engagement of employees in these sectors is clearly related to the extent of impact. Although not shown in the table, the findings previously presented in Chapters 5, 6 and 7 also indicate that, against the general trend, certain industries performed well following the crisis and so employees in these industries such as tended not to be negatively affected by the shocks, at least through this channel.

Table 8.1: Summary of the comparative impacts of the economic crisis and the ESAPs in Chomchon Hatanwa and Ban Wangmoon

	Location	Collapse of property market	Tight monetary policy			Tight fiscal policy			Social Safety Net Programmes		
			Baht floatation	Credit squeeze	High interest rate	Removal of subsidies	Increase in import duties and VAT	Budget cut	Temporary job creation	Health	Education
Employment											
Casual	P	--	--	--	-			--	++		
	U	-	-	-	-			-			
Private	P	-	-/+	-	-			-			
	U	-	--/++	-	--			--			
Public	P							0	0		
	U							0	+		
Own business	P	-	-					-			
	U	-	-	-	-			-			
Income											
Casual	P	--	--	-	-			--	++		
	U	-	-	-	-			-	0		
Private	P		-	-	-			-			
	U	-	--	--	--			-			
Public	P							-	0		
	U							-	+		
Own business	P	--	+					-			
	U	-	--	-	-			-			
Expenditure											
Inputs	P		--		-	-					
	U		--		-						
Food	P		-				-				
	U		--				--				
Consumable goods	P		--		-		--			++	++
	U		-		-		-			+	+
Utility and petrol	P		--			-	-	-			
	U		--			--	--	--			
Health											
Quality	P		-	- (private)	- (private)			-		+	
	U		-	- (private)	- (private)			-		+	
Access	P			-/0	-/n.a.			0		+	
	U		--	--	--			-		0	
Education											
Quality	P			- (private)	- (private)			-			+
	U			- (private)	- (private)			-			+
Access	P							0			+
	U		-	-	-			-			+

Key: (--) = extensively negatively affected, (-) = negatively affected, 0 = not affected, (+) = positively affected (++) = extensively positively affected, () = Not applicable P = Ban Wangmoon, U = Chomchon Hatanwa

Some policies implemented by the government following the economic crisis have impacted more on one community than the other. For example, the social safety net programmes, which generated temporary jobs in rural areas, provided new job opportunities for the peri-urban villagers. Thus, uneven effects of this policy can be related to an initial bias towards poor communities, which consequently favoured residents in rural communities.

Table 8.1 also shows the impact of the economic shock on income levels. Generally, it was found that many household incomes in both communities were negatively affected by the shock. However, not all household incomes were affected in the same way. This pattern of impacts can also be linked to the sectors and industries within which household members were engaged.

With regards to expenditure, negative impacts can be found in both communities, caused by an increase in the local prices of goods and services. However, the peri-urban villagers tended to experience a higher percentage of non-agricultural product price rises than those residents in the urban area, due mainly to the increased costs of transportation. The urban community experienced greater price rises for agricultural products for exactly the same reason.

On the social welfare front it was found that free access to health care and education was only available in Ban Wangmoon. The main reason for the highly limited access of such services in the urban slum was that the community is not officially registered as a permanent community. As previously explained, impacts on health and education can be mediated through changes in the government policy concerning health care and education and changes in the price of those services in the private sector. In this study, changes in government expenditure did occur. However, most Ban Wangmoon villagers were safeguarded against possible adverse impacts because the government identified them as poor. These villagers enjoyed free government service provisions and experienced no direct impacts. However, the richer residents within Ban Wangmoon and most residents in Chomchon Hatanwa were affected by the increase in fees of health and education services, particularly those who were totally dependent upon private services. The situation was worse in the urban community where the majority of people were not eligible for public health care because of the lack of the required house registration book. It was also found that many people transferred from more expensive private health to public health care. In

the peri-urban community, this seems to be true for the relatively rich or medium wealth households as the poor always used the free health care card scheme. Many urban residents who previously bought private health insurance were no longer able to afford the premium. Some accepted the increased risks of not having treatment when ill while others used self-medication as the first choice of treatment.

Differing impacts and the ability of actors to respond to the shock

In the previous section, some patterns of impact in the two communities have been highlighted. The findings suggest that the location of individuals within the distribution of impacts was influenced by their relation with the mediating mechanisms. This sub-section will examine factors that can further explain why individual actors may face different impacts and employ different strategies in response to the shock. The role of the market, not only in determining impacts but providing opportunities to respond will be reviewed. The ways in which resources can be utilised in order to cushion the impacts of the shock or exploit it will then be examined. Finally, the role of gender in differentiating impacts will be reviewed, as well as how men and women were able to respond differently to the shock and even how gender itself can be used in a survival strategy.

The discussion that follows draws substantially on the case studies from both communities. The case studies employed the dual framework approach in examining impacts and the responses of households selected for their various socio-economic backgrounds. The results provide an insight into how the three factors of market proximity, wealth status and gender can play roles in the distribution of impacts and the utilisation of resources in response to shocks. They also indicate some other factors that are influential in determining impacts on individuals.

Apart from proximity to the market as previously discussed, wealth status, which the villagers closely associated with levels of resource stocks and their quality, can also be seen as an important variable in differential impacts and the response strategies individuals can adopt. As previously mentioned, the wealthy households in both communities were likely to be less affected by the shocks. This can be explained by the fact that they generally possessed a more diverse and higher quality set of resources. This is evident when the market is used as a means of gaining benefit from the shocks. For example, rich farmers could take advantage of crop price increases resulting from the devaluation of the

baht. The high quality of their resource portfolio allowed these actors to have more control over their terms of engagement in the market, including choosing their sectors/industries of employment, previously identified as important in determining impacts on individuals.

The dependency of individual actors on the reproductive market of food and housing also influences the adverse effects one may experience. For Ban Wangmoon villagers, the availability of natural food resources enabled some residents to distance themselves from the reproductive market, and hence these individuals were less negatively affected by the increases in food prices, particularly compared with the residents in Chomchon Hatanwa.

It is clear that any generalisations concerning proximity to the market and wealth status must be made cautiously. The rich who were highly engaged in the market through negatively affected sectors/industries experienced more adverse impacts than those poor who had little market proximity. However, the poor were generally less able to employ resources to cushion negative impacts and thus, other things being equal, were more likely to be negatively affected by the shock.

The ability to respond to the crisis and the survival strategies employed by individuals were found to be varied, and corresponded to the resource portfolios at their disposal, both in terms of availability and diversification. According to the physical resource ranking, the results of which are closely related to the wealth ranking, resources can be classified into three levels of usage for survival, income generation and status marking. It was found that the resources identified by the participants in the PRA as most crucial for survival during the crisis were the reproductive resources. In comparison with the urban residents, peri-urban dwellers possessed a wealth of reproductive resources, such as residential land, houses, natural food sources, farmland, farm produce, homegrown vegetables and livestock as well as edible shrubs and fruits. These non-purchased reproductive resources helped peri-urban dwellers to cushion the negative impact of rises in food prices.

I have argued that reproductive and natural resources are highly important for actors at a survival level. Fortunately, the urban dwellers who did not have as many reproductive or natural resources, had significantly higher levels of productive and human resources (such as educational and vocational training) which were drawn on for income generating activities. Physical closeness to the employment market and social connections were also important for gaining job opportunities when the economy started to recover. Clearly

financial resources drawn from these activities could later be transformed into reproductive resources if necessary. In many cases social resources were found to be a crucial factor in cushioning impacts, when individuals could obtain access to further resources and opportunities through good social relationships.

Regarding status marking resources, it was found that these resources could be transformed into other forms of resource such as finance during hard times. However, individuals were found to be reluctant to undertake such transformations, which could imply a loss of status as well as a loss of the resource itself.

The role of gender in differentiating impacts and responses

With regard to gender-differentiated impact, it was found that villagers residing in both communities were unable to openly discuss gender-differentiated impact. The lack of Thai vocabulary related to gender and the lack of established gender dialogue proved to be the main obstacles to the success of the self-perception approach in identifying gendered impacts. Perhaps also, gender-differentiated impact did not seem to be an urgent or significant issue for many women, compared to other survival issues that arose during the crisis. Based on direct observation and semi-formal and informal phenomenon interviews, the research findings do suggest that gender-differentiated impact occurred in both communities but it is less clear than that found by researchers on other continents.

The findings on the gender-differentiated impact of the economic crisis and the ESAPs did not indicate conclusively that women were more negatively affected. The female employment rates in both communities did not change during the economic contractions. This has been related to the historical and cultural context of female participation in Thailand, wherein women in both communities have long engaged in the labour market and paid sector. Thus, an increase in female participation in the labour force was unrealistic unless additional young girls were mobilised into the labour market. This was not found to occur in either community. Although culturally women were not prevented from participating in the paid economy, the gender stereotype of work can be easily found. That is, most women and men in these communities were engaged in different industries. This research could not find any evidence of gender discrimination in redundancy, although this may have been due to the aforementioned gender segmentation of the labour market structure. The economic crisis was widespread, and the statistics show that the

proportions of men and women affected by changing employment were very similar in both communities. More importantly, because of the lack of a social security system in Thailand, active labour could not afford to be without work in surviving the crisis. Hence any differences in the unemployment rates between men and women in both communities were not conclusive.

According to theory and much empirical evidence, the education of girls is likely to suffer subsequent to an economic crisis (Cornia and Stewart, 1989). The removal of subsidies by the government, an introduction of educational fees, a decline in the real income of the household and a gender bias within the household have all been claimed to drive more girls out of school. The girls are then often expected to fulfil their mother's role in carrying out the domestic chores while the mother seeks paid income (Collier, 1993; Commonwealth Secretariat, 1989). This did not happen in either of the communities studied. It was found that this was partly due to the Thai cultural context of intergenerational relationships i.e. that children are indebted to parents and expected to repay them when they are older. This means that parents make sure that they invest sufficiently in their children's education when they are young. While boys, it is believed, can repay parents through ordination, girls are expected to financially support the parents in older age. The financial support can be secured through work and better work means a greater income. This provides an incentive for parents to make sure their daughters are well educated. In some cases, the oldest child was withdrawn, not to fulfil the mother's domestic role, but to work in the productive market for additional income. Age tended to be the most influential factor in determining which child was taken out from school. It was also found that there were very few children dropping out of school. This was often owing to the incentives of free childcare, free education and free lunch provided by many schools, although this was more common in the peri-urban community.

A gender-differentiated impact was clearly found in the realm of household budget management but less so in areas of employment, income or changes in health and education. It was found that women often carried a greater burden from higher prices because of their household management roles and the division of responsibility in the household. This supports feminist arguments that women bear an unbalanced impact because of their unequal roles, gender division of labour and responsibility within the household (Beneria, 1995; Elson, 1995; Evers, 1993). In both communities studied, it was

also found that women tended to suppress their needs in order to maintain and deliver the same level of welfare for the households. There was also evidence that women might use their specific human resource of sexuality in response to the shocks by utilising it in exchange for income. Between the two communities, Ban Wangmoon women were better equipped to cope with the severe effects of the crisis because of their rich reproductive natural resources.

The findings of the gender-differentiated impact of the shock in Thailand have identified a rather unusual phenomenon compared to similar studies conducted in other continents. In many ways, women in Thailand seem to experience less gender-biased impacts from the economic crisis and the ESAPs. That is to say, their situation is relatively good compared to many women in other countries. However, the gender-differentiated impact does exist and Thai women particularly tend to carry the greater burden from increases in household expenditure.

Clearly apparent from this research is the fact that Thai people do not possess the vocabulary to discuss gender in the context of their own social construction. In most arenas, Thai men and women consider themselves as occupying gender-neutral roles, whether workers or farmers, but not male workers or female workers. The only place that gender identity can be occasionally seen is within the household where women are viewed as mother, grandmother or daughter and are responsible for household budget management and welfare, though in most cases, women still view themselves as a homogeneous part of the household unit. This gender-neutral ideology could actually be interpreted as a deep-rooted gender bias in Thai society in which the roles of women are continually taken for granted, whether it involves welfare provision or having to manage households during difficult times.

Reflections, points of discussion and suggestions for further research

Frameworks reflections

Having employed the dual framework approach in exploring the socio-economic impacts of the people within the two selected communities, it is important to reflect on the contributions and difficulties these frameworks gave in answering the original research questions. I will first discuss my experience of applying the four channels impact

framework and then discuss the applicability of the SLF in exploring the responses of the people to the shock.

I found the four channels impact framework a focused and structured framework, yet flexible enough to explore and capture the diversity of the impacts experienced by people in my study. The framework helped establish the linkage of the macro shocks and the micro impacts. It also helped in identifying the intermediate mechanisms of market and government service provisions that transmit the impacts. Identifying the relations that individuals have with intermediate institutions of market and state, is highly important for the impact analysis and was explored and presented in Chapter 3. Moreover, by adopting a framework that focuses on four specific aspects of the direct impacts of the economic shocks helped me to identify the types of data that needed to be collected both on economic and some aspects of social trends.

The preconception of the possible differences in impacts that individuals with different social backgrounds may experience, as proposed by the framework, allowed effective comparisons to be made, specifically for groups with different market proximity, gender and wealth status. It also allowed the investigation to be undertaken at different levels, i.e. the macro level covered in Chapter 3 and the community and individual levels covered in Chapters 5 and 6.

However, this framework was found to have limitations. Firstly, the framework places much emphasis on the different impacts on social groups, which although useful in revealing a certain part of the picture, does not help in first identifying what social groups should be considered. Of course, assumptions can be made but the framework does not facilitate the investigation. Neither does it help in recognising possible inter-relationships between social groups nor how the impact comes about.

From my point of view, for the study of differential impacts to be fruitful in terms of its implications, there needs to be more focus on the processes of how differential impacts and changes come about. There is a need to explore whether such changes occur as a result of unequal access to resources or as a result of negotiations based on unequal power between parties or, indeed, for other reasons. This is highly important because it will have an implication for what policy changes can most effectively address the problems of unevenly distributed costs and benefits. For example, if the unequal impacts of the shocks occur as a

result of an uneven power relation between negotiating parties, then empowerment is needed so that negotiations can proceed in a more egalitarian manner. Of course, this must be analysed taking account available resources and the vulnerability context so that measures can be chosen that are efficient and suit local conditions.

Focusing on only four aspects also means that many other impacts of the shocks, especially the indirect effects, are beyond the scope of the exploration. As the empirical chapters have revealed, the impacts found in the communities studied may seem limited but if the hopes and expectations of people are explored, then it is clear that many were cruelly shattered by the crisis. Many other important issues such as domestic violence, drug abuse and social fragmentation were also left out. Ideally, the focus of the analysis needs to be decided upon by taking into account important issues within the local context. This can be undertaken after a preliminary examination of impacts.

Finally, although the framework offers a systematic analysis of the direct impact of shocks, it only captures a snap shot of the impacts. Focusing on the impact of shocks with a before and after comparison allows limited investigation of the dynamic process of impact and response. This is particularly true when applying the framework at the macro level.

Employing the Sustainable livelihood framework made up for many of the deficiencies of the four channels impact framework in studying the responses of people to the shocks. The framework assisted in identifying the important roles of different resources that people (with their differing backgrounds) actively deploy during the crisis. Applying this framework, together with the four channels impact framework, allowed me to better understand how impacts and responses came about in the case studies.

Applying the SLF during the course of the field research, I encountered many difficulties. On the conceptual level, for example, the SLF appears to give the same value to all resources. From the findings, however, it was clear that people valued different resources differently. This point is also made by McGregor and Kebede (2002) when they explain that there is a cultural context in which different value is given to different resources. The SLF does not offer a systematic way of exploring this value system. To overcome this problem, I carried out investigations using PRA methods and asked different social groups to rank physical resources and jobs. In doing this, it confirmed that informal rules exist that relate to the significance that people attach to various resources. The PRA method that

helps to identify the value of resources in different social groups can also increase our understanding of what people are able to use what resources and how. Although, this type of ranking methods may be straightforward when applied to tangible resources, it can be more problematic when used to identify the value of intangible resources. As the research shows, the ranking of social connections can only be applied at a specific individual level.

The values given to different resources by individual actors implies that there is a preference to the resources that actors want access to and desire control of. Although, in general, those with large quantities of good quality resources tend to have a wider choice in mobilising them and are better able to do so, those with limited resources may be just as able to transform their resources. This, as McGregor and Kebede (2002) argued, is dependent on the ease of resource substitution. This substitution aspect of resources is highly important but is missing from the SLF.

I also found that putting too much emphasis on the categorisation of resources may 'trap' resources in a particular category. In reality, resources can occupy more than one category. For example, rice can be classified as either a natural or physical resource depending upon whether the rice is naturally grown or is cultivated by individual actors. On top of this complication in categorisation, to mobilise resources sometimes requires the possession of other resources, e.g. human resources. Thus, human resources can be important in determining the success of the mobilisation of other resources. For this reason, it is important to be aware when using the SLF that the relation between resources and the actor is also very important in the success of their deployment.

I found that the SLF had limited use when it applied to the gender analysis of the impacts and responses. Mainly, this was because the women in my case studies were unable to identify what resources they individually possessed. In many cases, they claimed that the resources they had access to were household resources. This adds complications to looking at what different resources are available to men and women. Moreover, the Thai cultural context of conflict avoidance as well as a lack in the gender dialogue, as previously argued, creates problems in discussing possible conflicts over the access to and control over resources according to gender. Moreover, even when women can define their access and control over resources, it is highly difficult to reveal the possible negotiations behind it.

A more important and rather ironic concern is that while we attempt to focus the analysis on individual actors using their resources, we in fact rely more heavily on the researcher in attempting to analyse and explain this usage. For example, how do we ‘the researchers’ know that parents struggle to keep children in school during the crisis because they view it as an investment in social resources or instead that they want to give a good education to the children they love? How can we be sure that our interpretation of their utilisation of resources agrees with what people really think themselves? Or does it matter?

Resources under the SLF are often perceived as positive and desirable things to possess. Though it may be true in most cases, it is not always the case. As I have presented in Chapter 6, the single mother status of Mae Paeng, although viewed as an undesirable identity, was used to gain sympathy, which in turn helped her get a job. Another example which I uncovered in the field, though not presented here, is the case of disabled people who use their disability to help them beg for money. I would propose therefore that resource portfolios could take account of negative or undesirable factors to give a wider picture of livelihood construction.

The concept of resources as something for the actor to deploy is problematic in itself, especially when the framework guides the analysis of social resources. Although it is argued in the actor-oriented approach that social resources can be invested through reciprocity, there is no discussion of the recipient side. When one receives, for example, gifts from the social resource investors, it becomes unclear whether the recipient is using their own social resources, especially when they did not initiate the act. Moreover, could the recipient lose their resources to their reciprocal social resource investors? Social resources, I argue, must involve more than just one actor. As the SLF stands now, it appears in this type of situation that the recipient end is employing a resource but is not an active agent. This point needs further systematic analysis.

The research findings have revealed that market proximity, although perhaps viewed within the SLF as a contextual institution, can also act like a resource. The market can be used and exploited in conjunction with other types of resources to cushion or take advantage of the shocks. Although this research did not employ a systematic way of evaluating market proximity and terms of engagement the findings did suggest that those with a large quantity and good quality of resources tended to have better terms of engagement with the market. This also helped them to construct their livelihood in their

desired way. In conclusion, the development of a systematic framework to analyse the relation of people with the market would be highly useful in better understanding the mobilisation of resources through the market.

In combining the use of the four channels framework and the SLF, they were found to be quite complementary in exploring the impacts and responses to the shocks. While the four channels work as a guide in collecting data and analysing the different impacts of different social groups, the SLF helps in identifying the responses of people by looking carefully at how they utilise their resources. However, I do not think the frameworks are particularly successful in capturing how the process of change has come about. To capture the dynamics of change and the possible processes of negotiation for change. I would propose that the central analysis should focus on the relationship between individual actors as well as the resources that they mobilise in response to the shocks and the livelihood outcomes.

Research limitations and suggestions

Although this research aimed to investigate the impacts of the crisis and the ESAPs in urban and peri-urban communities it became apparent during the course of the fieldwork that a large number of the urban residents were migrants of rural origin, and many of these were in temporary residence within the community. This clearly contributed to the research having a bias towards people of rural origin or with close rural or peri-urban links. If the research had taken place in an urban community with fewer migrants, the findings could have differed. Another notable peculiarity of the field sites chosen is that almost none of the respondents were engaged in the manufacturing sector. The manufacturing sector employs almost 20% of the total labour force in Thailand and so clearly this research does not reflect the condition of this large section of workers. However it should be commented that the situation of manufacturing sector workers and particularly women has been dealt with by other researchers (Teeranart, 1998; Arom Pongpangan Foundation, 1998) and so this research is important for completing missing parts of the overall picture of how Thai lives have been affected by the economic crisis and the following adjustment programmes.

It is apparent from Chapter 4 that the comparative investigation of impacts on various social groups is a complex task. The chapter pointed out some of the difficulties that the researcher encountered both on methodological and cultural grounds. On the methodological level, an attempt to explore both the impacts and responses to shock of

diverse social groups within the two communities proved to be a larger task than anticipated. Although the dual frameworks approach served the purpose of guiding the examination of the impacts and responses, it can only offer limited insight into the exact roles of the three targetted factors in influencing impacts and responses.

The case study method that was used to explore the different roles of the three factors succeeded in revealing the process of how individuals with a very specific socio-economic background experienced impacts and utilised their resources in response to shock. However, the fact that analysing the impact on and responses of individuals requires consideration of highly complex individual contexts raises the concern that the case studies alone cannot be used to make generalised conclusions regarding the influence of these factors during the course of the shock. Mainly this is because the selected case studies cannot be assumed to be representative of their social groups because of their own specific context. Part of the difficulty is actually that there are multiple factors involved. Therefore, it is highly difficult to pin down which factors play what roles. It is probably fair to say that the examination is highly complex and there are many more factors involved in differentiating the impact and responses of individuals than those identified in this study. One thing that became clear from the case studies is that individuals have a huge diversity in terms of vulnerability context and resources, and hence actors are likely to experience and cope with the shock in widely varying ways.

To compound the methodological difficulties, it was also found that certain research methods were not as successful as many researchers have claimed because of the specific cultural context. Exploring gender is highly problematic in Thai society because of the conflict avoidance character of Thais. With this in mind, finding the correct sequencing of research methods selected to gather data is highly important. Employing a mixture of research methods and various means of triangulating data is also highly recommended. The nature of this conflict avoidance means that much information can be delivered by respondents in the form of coded responses which require careful interpretation. For the interpretation of this information, the researcher becomes important in detecting messages and being responsive to the surroundings. It is also recommended for those probing contentious issues such as gender that they use phenomenon-based interviewing as this can be more successful in obtaining unstaged responses.

The deficiency of social support

While the careful synthesis of holistic development strategies for Thailand is much needed, the urgent assistance to those who were most heavily affected by the changes in policies and the crisis is also still necessary. One thing that is clear from the research findings is that the lack of a social security system produces a considerable strain on male and female labour and their families in both communities. Not only does a social security system need to be established but its implementation and regulation must also be undertaken in an appropriate manner. In this way, it should not only directly assist unemployed persons but also have a systematic database for the purposes of policy design and improvement.

The research findings suggest that the available Social Safety Net programmes have proved to be beneficial up to a certain degree. Peri-urban residents in particular gained considerably from the programmes, reflected in good retention of children in schools. However, limited benefit was apparent in the urban community. This is mainly due to the preconception of the Thai government that the poor are concentrated in the “rural” areas, which is probably true to a certain degree based on income measurement. However, what is clear from the fieldwork is that the urban poor, especially the temporary residents (migrants) who do not have house registration, are neglected by or excluded from the government programmes. Thus, it is highly recommended that the Social Safety Net programmes should be considered in more detail and better targeted on the people who are really in need. This can be achieved through mapping out the impact pathway, identifying those who are in the vulnerable positions and being responsive to their needs.

Gender sensitivity requirements of the ESAPs

Many authors have suggested the improvement of the ESAPs should involve the participation of people on the ground and should listen to the woman’s voice. However, following this recommendation blindly may not advance the position of Thai women because (a) they do not view themselves as being unevenly affected by the crisis and (b) even when they are aware of being disadvantaged, they do not have an established dialogue to communicate their experiences. To improve the ESAPs in a gender sensitive manner within the specifics of Thai culture, perhaps one needs first to establish an appropriate language so that lay people can feel comfortable in communicating their stories. However, this will inevitably take some time. In the mean time, research is needed to

further explore the lives of women and detailed aspects of the impacts of the economic crisis as a basis for policy planning. One thing that one should always bear in mind is that men and women are not a homogeneous unit and they have different needs. Moreover, women and men should be viewed as being in a relationship which is constantly contested.

Further research

Micro level research on the socio-economic impacts and responses of the crisis and the ESAPs in Thailand is still new and so this research has undertaken a comprehensive study of the differentiated impact on both men and women residing in urban and peri-urban communities. Despite the constraints and limited resources of the study, its broad nature provides an overview of the situation on the ground following the crisis and how people in particular communities responded to the crisis. The scope of the research allowed a number of issues to be identified that deserve further detailed exploration. For example, although the research examined some gender-differentiated impacts, which gave an indication of the changes in gender relations, it did not focus specifically on the changes in gender relations themselves. There are clearly methodological limitations in using direct questioning on this issue when a sufficient level of awareness and dialogue has not been established. Though the research method was adjusted in the field in order to mitigate these problems, the study has clear restrictions in investigating changes in gender relations. Further research can now focus on how exactly gender relations have changed following the crisis and how relations vary between different settings and whether the changes that have occurred still remain after economic conditions have improved.

Appendix I
Household survey

Date of interview:...../...../.....

House registration number:.....

Name of respondent:.....

Village:

Part I: Household demographic data and activities profile

1. Could you please tell me about the household members who are currently living in your compound? Could you please tell me their names, ages, marital status, education, health condition and whether they have special skills or training?

No	Name	Sex	Age	Relation with head	Marital status	Education	Health	Special skills/training

2. Now, I would like to ask about the activities each household member has done in the past ten years. This includes work that has been done full-time or part-time, paid or unpaid and including domestic work. I would also like you to tell me about where each activity took place and how much payment each of your household members received in return.

Name	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000

3. Have you or your household grown crops in the past 10 years? If yes, I would like you to recall the crops that you have grown in the past ten years. If you changed the type of crop grown, please tell me the reason for that.

1991	1992	1993	1994	1995	1996	1997	1998	1999	2000

4. Have you or your household kept livestock in the past 10 years? If yes, please tell me the types and the quantity of animal kept.

1991	1992	1993	1994	1995	1996	1997	1998	1999	2000

5. Have you or any of your household members run their own business in the past 10 years. If yes, could you please describe the type and nature of the business. If you or your household member has changed business, please also state the reasons.

1991	1992	1993	1994	1995	1996	1997	1998	1999	2000

Part II: Household resource profile, income, expenditure and the impact of the crisis

Date of interview:...../...../.....

House registration number:.....

Name of respondent:.....

Village:.....

Household resource profile

1. Material resources

I would like to ask you if your household has any of these following items. I would also like you to add other items that your household possesses but are not included in the list

Item	Material resources	Amount	Characteristic	Access and control
	<i>Productive resources</i>			
	Farm land			
	Pick up truck			
	Shops (grocery or food)			
	Sewing machines			
	Tractors			
	Hoes and other farm instruments			
	Male labour			
	Female labour			
	Livestock			
	Saving			
	Credit			
	<i>Reproductive resources</i>			
	Houses			
	Land and property			
	Edible trees/fruit in residential land			
	Home grown vegetable			
	Rice storage			
	<i>Luxurious resources</i>			
	Irons			
	Cars			
	Motorcycles			
	Refrigerators			
	Washing machine			
	Stoves			
	TV, VDO			

2. Social resources

2.1 Now I would like to ask you whether you or any of your household members are members of the following groups

- | | | |
|--------------------------|------------------------------|-----------------------------|
| (a) Farmer's group | <input type="checkbox"/> yes | <input type="checkbox"/> no |
| (b) Housewife group | <input type="checkbox"/> yes | <input type="checkbox"/> no |
| (c) Funeral group | <input type="checkbox"/> yes | <input type="checkbox"/> no |
| (d) Village saving group | <input type="checkbox"/> yes | <input type="checkbox"/> no |
| (e) Youth group | <input type="checkbox"/> yes | <input type="checkbox"/> no |
| (f) Elderly group | <input type="checkbox"/> yes | <input type="checkbox"/> no |

2.2 I would like to ask you to describe you and your household members' relationship with the following people. 'Good' refers to a very good relationship, so that you could ask for help during the time of crisis, 'So so' refers to a fair relationship, so you could possibly ask for help during the crisis, 'Bad' refers to a bad relationship.

- | | | | |
|-------------------------------|-------------------------------|--------------------------------|------------------------------|
| (a) Village committee | <input type="checkbox"/> good | <input type="checkbox"/> so so | <input type="checkbox"/> bad |
| (b) Co-workers/friends | <input type="checkbox"/> good | <input type="checkbox"/> so so | <input type="checkbox"/> bad |
| (c) Local politicians | <input type="checkbox"/> good | <input type="checkbox"/> so so | <input type="checkbox"/> bad |
| (d) Neighbours | <input type="checkbox"/> good | <input type="checkbox"/> so so | <input type="checkbox"/> bad |
| (e) Outside village relations | <input type="checkbox"/> good | <input type="checkbox"/> so so | <input type="checkbox"/> bad |
| (f) Relations | <input type="checkbox"/> good | <input type="checkbox"/> so so | <input type="checkbox"/> bad |

2.3 I would like you to recall whom you asked for help from and whom you think you can seek assistance from during crises.

.....

.....

.....

.....

.....

.....

.....

.....

.....

Household income

1. Does your household have any income derived from agricultural production? If yes, please state the amount of income earned annually

	Income	baht/year	Decision	Contribution to household budget
1	Sale of rice			
2	Sale of.....			
3				
4				
5				

2. Do you or any of your household members earn their living from other paid work?

If yes, please state how much they earn and from what activities?

No	Income	baht/year, month, day	Earners	Contribution to household budget
1	Casual waged work (farm)			
2	Casual general waged work			
3				
4				
5				

3. Do you or any of your household members earn income from a self-owned business? If yes, could you please state the amount of income earned and the type of business?

No	Type of businesses	baht/year	Main owner	Contribution to household budget
1				
2				
3				
4				
5				

4. Does your household have income, remittance or income transfer from other sources? If yes, please state the amount and the source of income?

No	Source of income	baht/year	Controller	Contribution to household budget
1				
2				
3				
4				
5				

5. Does your household have a common household budget? If yes, who is the household budget manager?

() Yes,..... is household budget manager

() No. Why?.....

Household expenditure

1. Could you please tell me the prices of all items bought as an input for own businesses in the past year?

No	Item	Price per unit	Quantity need	Total	Whose responsibility
1	Rent for farm land				
2	Seeds				
3	Fertilisers				
4					
5					

2. Could you please tell me the prices of all items bought for household consumption in the past month?

No	Item	baht/unit	Whose responsibility
1	Rice		
2	Fish sauce		
3	Salt		
4	Egg		
5	Pork		
6			
7			
8			
9			
10			

3. Could you please tell me your expenditure on utility charges per month?

No	Utility	baht/month	Whose responsibility
1	Electricity		
2	Water		
3	Telephone		
4			

4. Do you and your household have to buy petrol? If yes, how much do you spend on petrol per month and what activities is it used in?

() Yes,.....baht/month for.....

() No

Impact of the economic crisis: self-perception

1. Have you heard about the economic crisis and the IMF programme before?

☐ Yes

☐ No

2. If yes, could you please describe to me what it is and how you heard of it?

.....

.....

.....

.....

3. Do you think you have been affected by the economic crisis and the IMF programmes?

☐ Yes

☐ No

4. If yes, could you please explain to me how you have been affected?

.....

.....

.....

.....

5. Have any other of your household member been affected by the economic crisis and the IMF programmes?

☐ Yes

☐ No

6. If yes, could you please explain to me how they have been affected?

.....

.....

.....

.....

7. Do you think you and other household members have been affected by the economic crisis and the IMF programme differently?

☐ Yes

☐ No

8. Why do you think you are being affected differently from other household members?

.....

.....

.....

.....

.....

9. Who do you think are more affected by the economic crisis and the IMF programmes, men or women? Why?
- ☐ Men are more affected because
-
-
-
- ☐ Women are more affected because
-
-
-
- ☐ Men and women are equally affected because
-
-
-
10. Comparing with other household members, who do you think is more affected by the economic crisis and the IMF programmes? And why?
- ☐ Husband is more affected.....
- ☐ Wife is more affected.....
- ☐ Other.....
11. In your opinion, who do you think can survive better in time of crisis, men or women?
- ☐ Women can survive better
- ☐ Men can survive better
- ☐ Men and women have the same capability in surviving the crisis
12. Why is that?
-
-
-
13. Who do you think is more affected by the economic crisis, rural or urban dwellers?
- ☐ Urban dwellers are more affected
- ☐ Rural dwellers are more affected
- ☐ Equally affected.

14. Why?

.....

.....

.....

.....

.....

15. In your opinion, who do you think can survive better in time of crisis, rural or urban dwellers? Why?

.....

.....

.....

.....

.....

Impact of the economic crisis

1. Have you or any of your household members changed job in the past 3 years
(since 1997)

☐ Yes ☐ No

2. If yes, could you please give me details of the person who changed jobs and the
previous jobs done as well as the reason for changing employment?

.....
.....
.....
.....

3. Comparing to 1997, has your household income

☐ Remained the same

☐ Decrease from.....tobaht

☐ Increase from.....to.....baht

Remarks.....
.....
.....
.....

4. Comparing to 1997, has your household expenditure

☐ Remained the same

☐ Decrease from.....to.....baht

☐ Increase from.....to.....baht

Remarks.....
.....
.....
.....

5. Comparing to 1997, how has the prices of food and necessities changed?

☐ Remained the same

☐ Increase by approximately.....%

☐ Decrease by approximately.....%

6. Has your household changed its expenditure patterns?

☐ Yes ☐ No

7. If yes, how has your household changed the expenditure pattern?

.....

.....

.....

8. In the past 3 years, has any of your household members had to seek additional income?

☐ Yes

☐ No

9. If yes, name the person/s seeking work and reasons for looking for work and describe the activities done before and the work currently undertaken.

.....

.....

.....

10. In the past, if any of your household members suffered from bad health, what would be your first choice for health care service?

.....

.....

11. If you or your household members now suffered from bad health, where would you go now? If this is different from question 9 please also explain why.

.....

.....

12. Has any of your household members dropped out from school since 1997?

☐ Yes

☐ No

13. If yes, why?

.....

.....

.....

Appendix II

Interview guide for key informants on village and extra village levels

Interview guide for village's key informants

1. Could you please tell me your name and age?
2. How long have you been living in this village?
3. Could you please tell me the history of the village?
4. How big is this village? How big is the residential/cultivated area?
5. If your village has a cultivated area, please describe the quality of the soil and sufficiency of water supply for cultivation.
6. What are the areas or villages that your village shares its border with?
7. How many households are there in your village?
8. How many female-headed households are there in this village?
9. Could you please tell me roughly how many people are residing in this village?
10. Are they all originally from this area? If not, where are they from?
11. Are there many people renting residential homes in the village? Roughly, how many are there?
12. Who owns the biggest piece of land? Please tell me how much land they own.
13. Are there any homeless or landless? Who are they?
14. Is there anybody renting out their land? Who are they? Who are they renting it to?
15. How much does it cost to rent land? What is the method of payment?
16. What common land/properties are in the village/community? (river, road, running water, temple, irrigated canal, school, forest)
17. Please describe the common land/properties management i.e. the regulations with regards to access and control over these resources.
18. Could you please tell me where the following places are? How and how long does it take to get there? Who goes to these places in general?
 - 18.1 primary school
 - 18.2 secondary school
 - 18.3 traditional health practitioner
 - 18.4 local health station
 - 18.5 local hospital
 - 18.6 clinic
 - 18.7 pharmacist
 - 18.8 temple
 - 18.9 food market
 - 18.10 local shops
 - 18.11 produce market
19. Do people in your village have access to the following infrastructure? (electricity, running water, sanitation unit, telephone)
20. What are the religions in which majority of people believe?
21. Are there any other religions that people in the village believe in?
22. What do people generally think about religious persons?
23. What does it mean to be a good "woman"?
24. How should a good woman behave?
25. What does it mean to be a good "man"?
26. How should a good man behave?
27. In reality, do men and women behave in the way they are expected to behave?
28. In relation to work, are men and women different? How? Why?

29. What kinds of job can be considered as women's work?
30. What kinds of job can be considered as men's work?
31. What does it mean to be a good child?
32. How should young people behave in relation to adults?
33. In reality, do young people behave in the way they are expected to behave?
34. What is the expected relationship between the young and elderly?
35. What do parents expect from their children?
36. What are the important political positions in the village? Please also explain how one could come into power.
37. Who are currently holding those positions?
38. What benefits do politicians get when they are in power?
39. In general, how well is the relationship of villagers with their neighbours? (can they ask for help in time of crisis? What kind of help do they get i.e. financial, labour?)
40. How good is the relationship between relatives within the village?
41. How helpful are the politicians to the villagers?
42. Have you ever heard about the economic crisis?
43. If yes, could you please tell me where did you hear about it from and what it is?
44. When do you think the crisis happened?
45. Do you think, in general, your village has been affected by the crisis? How?
46. Could you please describe the situation prior to the crisis? (Demand for labour, prices of the agricultural produce, income)
47. Could you please describe the situation now when compared to good times?
48. Do you think in general, rural or urban residents are more affected by the economic crisis? Why?
49. Do you think anybody in your village has not been affected by the crisis? Why?
50. Do you think, in general, men or women in your village are more affected by the crisis? Why?
51. Do you think, rural or urban residents are able to survive the crisis better? Why?
52. Do you think men or women can survive better in time of crisis? Why?

Interview guide for local government service providers: health station (Ban Wangmoon) and local hospital (Ban Wangmoon and Chomchon Hatanwa).

1. Could you please tell me your name and the position within the health station/hospital?
2. Could you please describe the extent of the service your station/hospital is giving? (i.e. how many out-patients can it take per day? How many in-patients can it take per day? What kind of treatments can be provided?)
3. Do people have to pay for the service? If not, is everybody eligible for free health care service?
4. If the free health care service only applies to certain treatments, please describe what kinds of treatment are not included?
5. Could you please explain the coverage of your service i.e. your defined areas of responsibility, how many villages and approximate number of individuals?
6. Have you heard about the economic crisis before? If yes, please describe what it is?
7. Has your station been affected by the economic crisis? How?
8. With respect to your work, how has the government policy changed since 1997?
9. If the government policy with regard to health care has changed, how has your health station/hospital been affected?
10. Have the changes in government policy affected staff? (increased work load, pay/recruitment freezing?)
11. If the government budget has been cut, what types of expenditure have been affected?
12. Has the number of beds for in-patient and capacity of the station/hospital changed? How?
13. Has the number of patients seeking public health care changed since 1997? How? Why?
14. If more new patients are seeking public health care, who are they? (new poor, men, women?)
15. If the number of patients seeking public health care has increased, how easily has your station/hospital coped with the situation?

Interview guide for local school: Ban Wangmoon primary school (Ban Wangmoon) and Wat Sri Pingmuang school (Chomchon Hatanwa).

1. Could you please tell me your name and your position within the school?
2. How many children are there in this school at the time of interview? How many girls and boys?
3. Who are these children? (i.e. are they residing around this area?)
4. How many teachers and other staff are there in this school at the time of interview? How many are men and women?
5. How much is the school fee per year?
6. If your school provides free schooling, is everybody eligible for free schooling?
7. If not, who is eligible for free schooling?
8. Does your school get government funding? If yes, could you please tell me how much you get per year and whether you think it is enough?
9. Does your school have to follow government policy with regard to education?
10. Have you ever heard about the economic crisis before? If yes, please describe what it is?
11. Has your school been affected by the economic crisis? How?
12. Has the government policy changed since 1997? How?
13. Has the government budget for school changed since 1997? How?
14. Have the changes in government policy affected teachers and other staff? (e.g. increase in work load, freeze of teacher recruitment).
15. Has the number of students coming to your school changed since 1997?
16. Has it increased or declined? Why?
17. Typically, which students have dropped out or entered your school?
18. Are they mostly girls or boys?
19. What are the reasons for them to make these changes?

Interview guide for local agricultural supplier: Yaowalak shop

1. Could you please tell me roughly what kinds of service/goods you provide?
2. Do you also give credit to farmers? If yes, could you please tell me how it is done?
3. Who are your customers? Are they mostly male or female?
4. What kind of products do most farmers from Ban Wangmoon purchase from you?
5. Has this changed on a yearly basis? How?
6. Why do you think farmers have changed the items purchased?
7. Have you heard about the economic crisis? If yes, could you please tell me what it is?
8. Has your business been affected by the crisis? How?
9. Have the prices of products sold in your shop changed since 1997? How?
10. Why have the prices of the products sold in your shop changed?
11. How have you responded to the crisis? Have you had to change the prices of products sold?
12. If prices of products increased, how did farmers cope with that?
13. Do you think farmers are affected by the economic crisis? How?

Appendix III

Key points of discussion with case studies

1. Establish the household profile including who are residing in the household, doing what, household contribution, household responsibility.
2. The impact of the economic crisis and the ESAPs on:
 - 2.1 Productive work of the household members (working pattern, increasing in working hours, shifting in agricultural production, seeking new income generating activities, changing work).
 - 2.2 Reproductive work (shifting of the responsibility, from who to who, increasing work load for some, reducing work load for some).
 - 2.3 Expenditure pattern (the utilisation of disposable income, the person responsible for household expenditure, changes in household items purchased, the quality and quantity of items purchased).
 - 2.4 Access to health services (Is there a change in health service usage? Is there any different treatment for different household members? Is the difference determined by age or gender? Are there changes in quality of service).
 - 2.5 Access to educational service (Is there a shift in the service used? How? Is there any member having to drop out from school? Who are they? What are they doing now? Why did they drop out? What are the reasons to justify the changes in educational service?).
 - 2.6 Changes in gender division of labour pattern within the household. (Is there any changes? How? Why? Is the change in the pattern better or worse? Why?)
 - 2.7 Who do you think is affected more by the crisis, you or your partner? Why?
 - 2.8 Who do you think is more affected by the crisis, your household or the richer household? How? Why?
 - 2.9 Who do you think are more affected by the crisis, your household or the poorer household? How? Why?
3. Villagers survival strategies:
 - 3.1 How did you and your household respond to the crisis and the ESAPs?
 - 3.2 Do you think you and your partner responded to the crisis and the ESAPs any differently? How? Why?
 - 3.3 Do you think, men and women in general respond to the crisis and the ESAPs differently? How? Why?
 - 3.4 Do you think, the rich and poor responded to the crisis and the ESAPs differently? How? Why?
 - 3.5 Explore the utilisation of the household resource profile (material, social, cultural, and political resources).

Appendix IV

Guidelines for Participatory Approach (PA)

The PA is carried out with groups of men, women and children in each village/community. The PA aims to collect information at the village level with regards to village organisation, gender division of labour patterns, crop growing, wealth ranking, material ranking and job ranking.

The participants are selected with the assistance of the research assistants and using the completed household survey for guidance. It aims to include a diverse range of people including those belonging to different classes, age groups and different marital status and carrying out various occupations. The total number of each group is no less than six people.

1. Map making

Big paper chart was given to the group with six different colour marker pens (to allow contribution from each participant to be distinguished). The participants were then asked to draw a village/community map. Map making was included in the PA task to understand the villager's perception of their village and identify significant features and associated issues. Map making was the first task that participants were asked to carry out. Partly this is for the facilitator to easily identify the dominants and submissive participants in the group from the frequency of coloured pen usage and how vocal individuals were. In identifying this, the facilitator can help encourage less vocal participants to speak during the other task.

2. Gender division of labour pattern

The 24-hour day:

1. The group was asked to imagine a normal day in their lives.
2. The group then was asked to list the activities they perform throughout the day, first individually, on a piece of paper. Then they were asked to discuss their lists within the group.
3. The group was then asked to list the common activities they do in a day on the big chart provided.
4. The group was asked to list down activities that the opposite sex carries out in a typical day.
5. The group was asked to compare the work of men and women and asked whether the work is associated with a specific sex.
6. The group was then asked to identify the work that can be both carried out by both men and women.

3. Crop calendar (only in Ban Wangmoon)

The facilitator asked the group to think about the crops grown throughout the year both grown for only home consumption and for cash or for both purposes. As a group, the participants were asked to mark the calendar (by pen or crop) what kind of activities occur in each month.

4. Wealth ranking

Wealth ranking task aims at classifying the households within the community in the into groups according to their wealth by their own residents.

1. The facilitator first facilitated the discussion of the meaning of “wealth” and “status”. The discussion was recorded on cassette.
2. The participants were then asked how many households groups can be identified in the village of distinct wealth.
3. The participants were asked to sort cards with names of household heads and partners (prepared by the facilitator from the household survey) into piles according to their wealth ranking.
4. The participants were then asked to have a final check if they agree on their classification.
5. The facilitator then picked a couple of the households from each ranking groups and asked the participants about their characteristic and cross checked whether the household was classified into that wealth ranking group according to the criteria previously set at the beginning.
6. The names of the household head and partners were then recorded with wealth ranking.
7. Scores were given to each household according to their wealth.
8. When the wealth ranking task was completed with the three group from the village/community, the scores were added up. The final average score was used to identify the wealth status of the household.

5. Material ranking

This task was included in the PRA because it emerged from the household survey that people gave different value to the resources owned by individual/households. For example, households who own a house with toilet inside the house were considered wealthy and modern. As part of the household survey, one section was dedicated to the resource profile of the household. Those resources recorded during the survey were listed down in the card or else the pictures of the resources were cut out from a magazine for the groups to rank their importance.

1. The pictures and cards of materials were attached on the wall.
2. The participants were asked to have a look at the pictures/cards.
3. The participants were then asked to imagine that they were alone and lost and having no money or other belongings.
4. Then the participants were asked to pick five resources which they think would will help them “survive”.
5. The participants were then asked to pick five more resources from the wall which they thought they could utilise to generate income.
6. The participants were then told to imagine they were now relatively wealthy and asked to pick five more resources that they thought would indicate to other people that they were wealthy.
7. The participants were asked to pick five resources that they thought were useless.
8. All the cards chosen were recorded with the reasons given for choosing them.

6. Job ranking

This task was included in the PRA because it emerged from the wealth ranking task that an important factor determining wealth status of households is the occupations carried out by household members. This task aimed at identifying how different jobs are valued.

1. The participants were split into two groups
2. The charts were put up on the wall for each group.
3. The two groups were asked to compete in writing down as many jobs as possible being carried out by residents within the community.
4. When completed, the lists were compared and crosschecked to see whether the jobs were actually those done by residents.
5. The participants were then asked whether there were any additional jobs.
6. The participants were asked to discuss the value of jobs and how one job can be perceived as having higher status than others.
7. The jobs were then ranked by the participants from the highest status to the lowest status.
8. The results were recorded.

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